

CHAPTER 64.

An Act to grant certain duties, to alter other duties, and to amend the law relating to the Public Revenue and the National Debt, and to make further provision in connection with Finance. [1st August 1946.]

Most Gracious Sovereign,

WE, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom 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.

1. Part I of the Safeguarding of Industries Act, 1921 (which, as extended by section ten of the Finance Act, 1926, and section five of the Finance Act, 1936, is limited to expire on the nineteenth day of August, nineteen hundred and forty-six) shall continue in force for a further period of two years from the said day. Extension of key industry duty. 11 & 12 Geo. 5. c. 47. 16 & 17 Geo. 5. c. 22. 26 Geo. 5. & 1 Edw. 8 c. 34.

PART I. —*cont.*

Coffee and chicory extracts, etc.

39 & 40 Vict. c. 36.

2.—(1) Extracts, essences or other concentrations of coffee or chicory and admixtures of extracts, essences or other concentrations of coffee or chicory shall not be included in the Table of Prohibitions and Restrictions Inwards contained in section forty-two of the Customs Consolidation Act, 1876, and accordingly in the entry relating to extracts, essences and other concentrations in the said Table the words " coffee, chicory or " shall be omitted.

(2) There shall be charged on preparations which consist wholly or partly of extracts, essences or other concentrations of coffee or chicory imported into the United Kingdom duties of customs at the following rates, that is to say—

preparations not being Empire products—the lb. (dry weight)—9d.

preparations being Empire products—the lb. (dry weight) —7½d

In this subsection the expression " Empire product " has the same meaning as in subsection (1) of section eight of the Finance Act, 1919.

9 & 10 Geo. 5. c. 32.

1 Edw. 7. c. 7.

(3) Subsection (1) of section seven of the Finance Act, 1901 (which requires duty to be charged in certain cases on goods containing articles liable to duties of customs in respect of each such article at the rates of duty respectively applicable thereto) shall not apply to the preparations mentioned in subsection (2) of this section, and where any such preparation imported into the United Kingdom contains, as a part or ingredient thereof, any article which is liable to customs duty apart from the said subsection (2), the preparation shall, unless the Treasury otherwise direct, be charged with the duty chargeable under the said subsection (2) or with the duty chargeable in accordance with the Schedule to the Customs Tariff Act, 1876, whichever is the higher.

39 & 40 Vict. c. 35.

14 & 15 Geo. 5. c. 21.

(4) The excise duty chargeable under subsection (3) of section three of the Finance Act, 1924, on articles or substances prepared or manufactured for the purpose of being in imitation of, or in any respect to resemble, or to serve as a substitute for, coffee or chicory, and on any mixture of any such article or substance with coffee or chicory, shall cease to be chargeable.

(5) This section shall have effect as from the first day of September, nineteen hundred and forty-six.

Drawback on rock cocoa, etc., used in manufacture of theobromine.

3.—(1) Subject to the provisions of this section, where goods in the manufacture or preparation of which in the United Kingdom any cocoa or cocoa butter or cocoa husks and shells has or have been used are delivered to or appropriated by a person for use in the manufacture of theobromine in premises authorised by the Commissioners to be used for the purpose, the like drawback shall be paid as would, under subsection (2) of

section two of the Finance Act, 1911, be paid on the exportation of those goods; and no drawback shall be paid under the said subsection (2) on the exportation or shipment for use as ships' stores of any theobromine. 1 & 2 Geo. 5. c. 48.

(2) The Commissioners may make regulations prescribing conditions for the protection of the revenue which must be fulfilled if drawback is to be payable under subsection (1) of this section, and regulating the manner in which any goods in respect of which such drawback has been paid and not repaid, and any residues resulting from the manufacture of theobromine therefrom, are to be dealt with and disposed of.

(3) Where any such conditions prescribed as aforesaid are contravened or not complied with, the drawback shall not be paid, or, if paid, shall be repaid, and where any person contravenes or fails to comply with any of the provisions of the regulations relating to the manner in which any goods or residues are to be dealt with or disposed of, he shall be liable to a customs penalty of one hundred pounds, and the goods or residues in question shall be forfeited.

Imperial preference for sugar, etc. 7 & 8 Geo. 6. c. 33.

4. Subsection (1) of section seven of the Finance Act, 1926 (which, as amended by subsection (1) of section two of the Finance Act, 1944, provides, inter alia, for the stabilisation of rates of imperial preference in the case of duties of customs charged on sugar, molasses, glucose and saccharin during a period ending with the thirty-first day of August, nineteen hundred and forty-six) shall, in so far as it relates to the said duties, have effect as if the said period were extended so as to expire at the end of August, nineteen hundred and forty-eight.

Rebate on light oils used in refineries for producing gas. 9 & 10 Geo. 6. c. 13.

5. Where by virtue of subsection (2) of section eight of the Finance (No. 2) Act, 1945, customs duty is charged on light oils used in a refinery for producing gas the same rebate shall be allowed in respect thereof as would be allowable if those oils were not light oils.

Relief from duty on imported legacies, etc.

6.—(1) Where it is shown to the satisfaction of the Commissioners that any goods imported after the passing of this Act were chattels or corporeal moveables belonging to or in the possession of a deceased person which had been used before his death and were not at the time of his death used or held by him for business purposes, and that the importation thereof is by or for a person resident in the United Kingdom who upon that death becomes entitled thereto by virtue of any testamentary disposition or intestacy, the Commissioners may remit or repay any customs duty which would otherwise be payable on the importation thereof.

(2) This section shall be deemed to have had effect as from the tenth day of April, nineteen hundred and forty-six.

PART I. —*cont.*

Reduction of entertainments duty on certain games and sports, etc.

25 & 26 Geo. 5. c. 24.

7.—(1) In subsection (3) of section one of the Finance Act, 1935 (which provides for reduced rates of entertainments duty in the case of stage plays and certain other entertainments) for the words "a circus or a travelling show" there shall be substituted the words "a circus, a travelling show, a menagerie or any game or sport other than the racing or trial of speed of animals, vehicles, motor vessels or aircraft."

(2) At the end of subsection (4) of the said section one, there shall be added the words "the reference to the racing or trial of speed of vehicles does not include a reference to cycle races where the cycles are propelled by the riders themselves."

(3) This section shall apply to entertainments held on or after the fifth day of May, nineteen hundred and forty-six, and where duty has been charged on any payment for admission to an entertainment held on or after the said fifth day of May at the rate which would be applicable to the payment apart from the provisions of this section, the person by whom the duty was paid shall be entitled to repayment of the difference between the amount of duty paid and the amount of duty chargeable on the payment by virtue of the provisions of this section.

Entertainments duty on certain entertainments provided by bodies which are not profit making.

6 & 7 Geo. 5. c. 11.

8.—(1) Entertainments duty within the meaning of section one of the Finance (New Duties) Act, 1916, shall not be charged on payments for admission to any entertainment which consists of one or more of the following items, that is to say—

(*a*) a stage play;

(*b*) a ballet (whether a stage play or not);

(*c*) a performance of music (whether vocal or instrumental);

(*d*) the exhibition of a cinematograph film;

(*e*) a lecture;

(*f*) a recitation;

(*g*) an exhibition of artistic work;

(*h*) an industrial exhibition;

(*i*) an Eisteddfod,

where the Commissioners are satisfied that the entertainment is provided by a society, institution or committee which is not conducted or established for profit and that the aims, objects and activities of the society, institution or committee are partly educational.

(2) In paragraph (*d*) of subsection (5) of section one of the Finance (New Duties) Act, 1916 (which provides amongst other things for the exemption from entertainments duty of entertainments provided for partly educational or partly scientific purposes by a society, institution or committee not conducted or established for profit) the words "partly educational or" are hereby repealed.

PART I. —*cont.*

(3) In subsection (3) of section one of the Finance Act, 1935, after the words "a performance of music (whether vocal or instrumental)" there shall be inserted the words "an Eisteddfod."

(4) This section shall be deemed to have had effect as from the tenth day of April, nineteen hundred and forty-six.

Passenger aircraft licences for sale of intoxicating liquor and tobacco. 10 Edw. 7. c. 8.

9.—(1) After section C of the First Schedule to the Finance (1909–10) Act, 1910 (being the section relating to retailers' licences) there shall be inserted the following section :—

"CC—PASSENGER AIRCRAFT LICENCES.

Licence to be taken out annually in respect of a passenger aircraft by the owner of the aircraft or his agent. Duty of 1*l.*

Provisions applicable to Passenger Aircraft Licences.

1. A passenger aircraft licence granted in respect of any aircraft authorises the sale by retail while the aircraft is engaged in carrying passengers of any intoxicating liquor in the aircraft to passengers for consumption in the aircraft.

2. A passenger aircraft licence authorises the sale of tobacco as well as the sale of intoxicating liquor.

3. In the event of the transfer of the aircraft to some other owner, the licence granted under this section shall cease to have effect as respects that aircraft, but may, in that event and in the event of the loss of the aircraft, be transferred on the application of the owner of the aircraft or his agent, so as to attach to some other aircraft belonging to the owner.

4. Any licence granted under this section shall be carried in the aircraft.

5. For the purpose of giving jurisdiction, any sale of liquor in an aircraft shall be deemed to have taken place either where it has actually taken place or in any place in which the aircraft may be found."

(2) In section fifty-two of the said Act, after the definition of "registered club" there shall be inserted the following definition :—

"The expression 'passenger aircraft' means an aircraft of any description employed for the carriage and conveyance of passengers which is flown from any place in the United Kingdom to any other place in the United Kingdom, or is flown from and to the same place in the United Kingdom on the same day."

(3) At the end of subsection (2) of section one hundred and eleven of the Licensing (Consolidation) Act, 1910 (which exempts from the provisions of that Act the sale of intoxicating liquor 10 Edw. 7. c. 24.

PART I. —*cont.*

in certain circumstances) there shall be added the following paragraph :—

"(*n*) the sale of intoxicating liquor for consumption in a passenger aircraft, being a sale authorised by a licence granted under the Finance (1909–10) Act, 1910, as amended by the Finance Act, 1946."

(4) It is hereby declared that the Parliament of Northern Ireland has power to make laws for purposes similar to the purposes of this section.

Continuation of relief under Finance Act, 1942, ss. 13 and 14. 5 & 6 Geo. 6. c. 21. 2 & 3 Geo. 6. c. 62.

10. Sections thirteen and fourteen of the Finance Act, 1942 (which authorise reductions in the duty on certain licences for the sale of intoxicating liquor by reason of war circumstances) shall have effect and be deemed always to have had effect as if in the said section thirteen and in subsection (4) of the said section fourteen for the words "granted for a year beginning in the year nineteen hundred and forty-two or granted for any later year at the beginning of which the Emergency Powers (Defence) Act, 1939, is still in force" there were substituted the words "granted for a year beginning in the year nineteen hundred and forty-two or granted for any year beginning before the beginning of the first year of revaluation (within the meaning of the Income Tax Acts) after the passing of this Act."

Allowance for artificial silk used in tyres.

11. Where it is shown to the satisfaction of the Commissioners that any yarn or tissue, containing artificial silk on which a duty of customs or excise has been paid, has been used in the manufacture of tyres, and that the manufacture of those tyres was completed on or after the first day of October, nineteen hundred and forty-six, they shall, subject to such conditions as they may impose for the protection of the revenue, pay to the manufacturer of those tyres out of the sums received by them on account of duties of customs and excise, an allowance of sixpence on every pound weight of such quantity of artificial silk on which a duty of customs or excise has been paid as is, in the opinion of the Commissioners, contained in the yarn or tissue so used.

Provisions for relief from duty on liquor licences, and suspension of justices' licences, where licensed premises compulsorily acquired

12.—(1) Subsections (1) to (3) of section thirteen of the Finance Act, 1935 (which relate to the repayment or remission of excise duty on licences for the sale of intoxicating liquor taken out under Part II of the Finance (1909–10) Act, 1910, where a business has been temporarily discontinued by reason, among other things, of the licensed premises having been closed with a view to their demolition or alteration) shall have effect where the holder of such a licence satisfies the Commissioners that a business has been temporarily discontinued (whether before or after the passing of this Act) by reason of the compulsory acquisition, or the proposed compulsory acquisition, of the licensed premises.

(2) Where the Commissioners are satisfied, on an application made to them for a certificate under this subsection,—

(*a*) that a business has been temporarily discontinued (whether before or after the commencement of this Act) by reason of the compulsory acquisition, or the proposed compulsory acquisition, of licensed premises in which the business was carried on, and

(*b*) that the removal of the licence to other premises, not being temporary premises, reasonably satisfactory to the person by whom the business was carried on would be prevented by the restriction on removals imposed by subsection (1) of section six of the Licensing Planning (Temporary Provisions) Act, 1945, or by it being otherwise impracticable to provide such other premises as aforesaid, 9 & 10 Geo. 6. c. 53.

they shall certify accordingly, and where a certificate is given under this subsection as respects a business carried on in any premises the justices' licence granted in respect thereof which was in force immediately before the discontinuance shall be, and be deemed to have been, in suspense by virtue of this section from the time of the discontinuance until the time when it is again in force for all purposes, or extinguished, by virtue of the provisions in that behalf of the First Schedule to this Act.

(3) Where a licence granted in respect of any premises is in suspense under section ten of the Finance Act, 1942 (which provides for the suspension of a licence where a business is discontinued owing to war circumstances), and the Commissioners are satisfied, on an application being made to them for a certificate under this subsection,—

(*a*) that the premises have been compulsorily acquired, whether before or after the commencement of this Act, or are proposed to be compulsorily acquired, and

(*b*) that the removal of the licence as mentioned in paragraph (*b*) of the last foregoing subsection would be prevented as mentioned in that paragraph,

they shall certify accordingly, and as from the giving of a certificate under this subsection the licence shall be deemed to be in suspense by virtue of this section until the time when it is again in force for all purposes, or extinguished, by virtue of the provisions in that behalf of the First Schedule to this Act, and shall not be deemed as from the giving of the certificate to be in suspense under the said section ten.

(4) While a licence is in suspense by virtue of this section it may be transferred or removed in accordance with the provisions in that behalf of the Licensing (Consolidation) Act, 1910, the Licensing Planning (Temporary Provisions) Act, 1945. and

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the First Schedule to this Act, but shall not be, and shall be deemed not to have been, in force for any purpose except so far as is requisite for giving effect to those provisions and the other provisions of the said First Schedule.

(5) In this section and in the said First Schedule—

(*a*) references to compulsory acquisition of premises include references to acquisition by agreement by an authority or persons, and for a purpose, such that the authority or persons could be authorised to acquire the premises compulsorily; and

(*b*) references to premises include references to the site thereof, and references to a licence granted for premises in any district or area include references to a licence granted for premises the site of which is in that district or area;

and in the said First Schedule the expression "the principal section" means this section.

Provisions for relief from duty on liquor licences and suspension of certificates granted under the Licensing (Scotland) Act, 1903, where premises compulsorily acquired.

13.—(1) The provisions of section ten of the Finance Act, 1942, and of Part II of the Sixth Schedule to that Act with regard to relief from duty on liquor licences and the suspension of certificates as defined in Part VII of the Licensing (Scotland) Act, 1903, in cases where the holders have temporarily discontinued business by reason of war circumstances, shall apply in like manner in any case where the holder of such a certificate has temporarily discontinued business by reason of the compulsory acquisition or proposed compulsory acquisition of the premises specified in the certificate, subject however to the following and any other necessary modifications:—

3 Edw. 7. c. 25

(*a*) for any reference to the passing of the said Act of 1942 there shall be substituted a reference to the passing of this Act;

(*b*) for any reference to war circumstances there shall be substituted a reference to circumstances arising out of the compulsory acquisition or proposed compulsory acquisition of the premises;

(*c*) references to destruction of or damage to premises and to certification that war circumstances includes such destruction or damage shall be omitted;

(*d*) paragraph 7 of Part II of the aforesaid Schedule shall not apply and paragraph 10 thereof shall have effect as if for the reference to premises of which possession has been taken there were substituted a reference to premises compulsorily acquired or proposed to be compulsorily acquired

PART I. —*cont.*

(2) Any reference in the last foregoing subsection to compulsory acquisition of premises includes a reference to acquisition by agreement by any authority or person and for a purpose such that the authority or person could be authorised to acquire the premises compulsorily.

Excise duty on mechanically propelled vehicles. 10 & 11 Geo. 5. c. 18.

14.—(1) Section thirteen of the Finance Act, 1920 (which imposes excise duties on mechanically propelled vehicles) shall have effect as respects vehicles of an unladen weight exceeding twelve cwt. and not exceeding one ton as if the respective rates of duty specified in the Second Schedule to this Act were substituted—

(*a*) for the rates of duty specified in sub-paragraphs (*a*), (*b*) and (*c*) of paragraph 5 of the Second Schedule to the Finance Act, 1920, in respect of goods vehicles of the descriptions therein mentioned; and

(*b*) for the rate of duty specified in Part III of the Second Schedule to the Finance (No. 2) Act, 1945, in respect of local authorities' watering vehicles not electrically propelled (but not including the additional duty payable in respect thereof if used for drawing a trailer).

(2) This section shall come into operation on the first day of January, nineteen hundred and forty-seven.

PART II.

PURCHASE TAX.

Cesser of charge and reduction of rates of purchase tax in respect of certain goods.

15.—(1) Purchase tax shall cease to be chargeable in respect of goods of the classes specified in Part I of the Third Schedule to this Act.

(2) Purchase tax shall become chargeable at the reduced rate and the basic rate in respect of goods of the classes specified respectively in Parts II and III of the Third Schedule to this Act:

Provided that goods shall not become chargeable under this subsection at the basic rate if they fall within any of the classes specified in the second or third column of the Seventh Schedule to the Finance (No. 2) Act, 1940 (including classes specified in Part I of the Third Schedule to this Act).

3 & 4 Geo. 6. c. 48.

(3) In accordance with the preceding provisions of this section, the Seventh Schedule to the Finance (No. 2) Act, 1940, and the Seventh Schedule to the Finance Act, 1942, shall be amended in accordance with Parts IV and V of the Third Schedule to this Act respectively.

(4) The preceding provisions of this section shall be deemed to have come into operation on the tenth day of April, nineteen

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hundred and forty-six, and shall have effect in relation to a purchase of goods of any of the classes to which this section relates delivered under the purchase on or after the said date notwithstanding that the purchase was made before the said date:

Provided that to the extent that the provisions of subsection (1) and the proviso to subsection (2) of this section relate to the classes of goods shown in Part I of the Third Schedule to this Act as becoming exempt on the twenty-second day of July, nineteen hundred and forty-six, and to the extent that the provisions of the said subsection (2) relate to the classes of goods shown respectively in Parts II and III of the said Third Schedule as becoming on the said date chargeable at the reduced rate and the basic rate, those provisions shall be deemed to have come into operation on the said date, and references in this subsection to the said tenth day of April shall in relation to those provisions and to that extent be construed as references to the said twenty-second day of July.

(5) Nothing in this section shall affect the operation of section twenty of the Finance (No. 2) Act, 1940 (which empowers the Treasury by order to direct that tax shall become or cease to be chargeable in respect of goods of any class or shall be chargeable at a different rate).

Definition of chargeable process.

16.—(1) For the purposes of any enactment relating to purchase tax, a person shall be deemed to apply a chargeable process if he applies any process of manufacture which results in chargeable goods of any of the classes specified in the Fourth Schedule to this Act, whether or not the goods to which the process was applied were, before the process was applied, goods of the same class or any other class specified in that Schedule.

(2) The Treasury shall have power from time to time by order to vary the said Fourth Schedule either by the addition or by the omission of any class of goods or by the alteration of the description of any class of goods, and subsections (3) and (4) of section twenty of the Finance (No. 2) Act, 1940 (which relate to the coming into operation and approval of Treasury orders as to purchase tax) shall apply in relation to orders under this subsection as they apply in relation to orders under that section.

(3) In this section, the expression " process of manufacture " means a process applied so as to make goods or in the course of the making of goods.

Purchase tax to be charged on goods resulting from chargeable processes.

17.—(1) Subject to the provisions of this section, where any person who is required to be registered applies any chargeable process, purchase tax shall be chargeable on the wholesale value of the resulting goods and shall become due on the completion of the process, and the person who applies the process shall be accountable for the tax.

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(2) A person shall not become accountable for tax under subsection (1) of this section by reason of the application of a chargeable process where the resulting goods are his property at the time of the completion of the process but nothing in this subsection shall prejudice the application to him of subsection (1) of section twenty-five of the Finance (No. 2) Act, 1940 (which provides that certain appropriations and applications of chargeable goods by wholesale merchants and manufacturers shall be treated as chargeable purchases) in relation to those goods.

(3) Where a chargeable process is applied to any goods under a contract and the person to whose order the process is applied under the contract makes, at such time and in such manner as the Commissioners may direct, a representation to the other party thereto that he is a registered person and undertakes to account for any tax payable, the said other party shall not become accountable for tax under any of the provisions of this section by reason of the application of the process.

(4) Where such a representation is made and, at the time of the completion of the process, the person making the representation is not registered, he shall (without prejudice to any liability to punishment in respect of any false statement in the representation) be accountable for the tax chargeable by reason of the application of the process if he is not otherwise accountable therefor.

(5) The enactments mentioned in the Fifth Schedule to this Act shall have effect subject to the provisions of that Schedule, being provisions extending the said enactments, with adaptations, to purchase tax chargeable by virtue of the application of a chargeable process.

Registration, etc., of persons who carry out chargeable processes.

18.—(1) Subject to the provisions of this section, every person who, in the course of or for the purposes of his business, applies a chargeable process shall, whether or not he would otherwise be so treated, be treated as a manufacturer for all the purposes of the enactments relating to purchase tax, and be treated for the purposes of subsection (1) of section twenty-three of the Finance (No. 2) Act, 1940, (which relates to registration) as a manufacturer whose business includes the selling of chargeable goods, but the proviso to that subsection (which exempts certain persons from registration) shall not apply to any person who, in the course of or for the purposes of his business, applies any chargeable process.

(2) Notwithstanding anything in subsection (1) of this section, the Commissioners, if they think fit so to do in the case of a person who is not required to be registered apart from the provisions of subsection (1) of this section, may, if he is not

PART II. —*cont.*

already registered, refrain from registering him, or, if he is already registered, cancel his registration and thereafter refrain from registering him; and, as respects any period during which the Commissioners refrain under this subsection from registering a person who would otherwise be required by subsection (1) of this section to be registered, that person shall be treated for the purposes of the enactments relating to purchase tax, other than the provisions of subsection (2) of the said section twenty-three, as being a person not required to be registered.

(3) Notwithstanding anything in subsection (6) of the said section twenty-three, the Commissioners shall not be required to issue a certificate of registration to a person who is registered if he is not required to be registered apart from the provisions of subsection (1) of this section, but the fact that a person who is required to be registered is by virtue of this subsection not for the time being entitled to a certificate of registration shall not be treated as derogating in any respect from the effect of that requirement.

(4) The provisions of the last preceding subsection shall be without prejudice to the provisions of section fourteen of the Finance Act, 1944 (which confers power on the Commissioners to require security for tax as a condition of holding a certificate of registration).

Commencement of the three last preceding sections.

19.—(1) The three last preceding sections shall have effect as from the first day of June, nineteen hundred and forty-six:

Provided that nothing in this subsection shall render illegal anything done or omitted to be done before the passing of this Act which would not have been illegal if this Act had not been passed.

(2) A person who under the last preceding section is required to be registered shall make application under subsection (3) of section twenty-three of the Finance (No. 2) Act, 1940, for registration not later than fourteen days from the commencement of this Act or from the time when he becomes required to be registered, whichever is the later, and accordingly in paragraph (*a*) of the said subsection (3) (as amended by subsection (2) of section thirteen of the Finance Act, 1944) for the words "the Finance Act, 1944" there shall be substituted the words "the Finance Act, 1946".

Accounts, information, etc

20.—(1) Any person accepting an order from any other person to apply a chargeable process shall, if required so to do by the proper officer of Customs and Excise, give notice thereof in writing to that officer in a form approved by the Commissioners and, on the completion of the process, produce the goods resulting

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therefrom to an Officer of Customs and Excise or other person authorised in that behalf by the Commissioners at such place and at such time as that officer or person may require, and shall give to that officer or person such information with respect to the goods as he may require.

(2) Every person who is required to be registered shall keep such records and accounts in such form, and shall preserve them for such period, as the Commissioners may require, and shall produce them for inspection by any officer or other person authorised in that behalf by the Commissioners at such time and at such place as that officer or person may require.

(3) Every person concerned with the purchase or importation of goods or with the application to goods of any process of manufacture or with dealings with imported goods shall furnish to the Commissioners within such time and in such form as they may require information relating to the goods or to the purchase or importation thereof or to the application of any process of manufacture thereto or to dealings therewith as they may specify, and shall, upon demand made by any officer or other person authorised in that behalf by the Commissioners, produce any books or accounts or other documents of whatever nature relating thereto for inspection by that officer or person at such time and place as that officer or person may require.

(4) Section sixteen of the Finance Act, 1944 (which provides penalties for failures to comply with any requirement imposed by or under regulations) shall apply in relation to any failure to comply with any requirement imposed by or under the preceding provisions of this section.

(5) In subsection (1) of section thirty-three of the Finance (No. 2) Act, 1940 (which enables the Commissioners to make regulations)—

(*a*) in paragraph (*a*), after the words " section twenty-five of this Act " there shall be inserted the words " and all chargeable processes by virtue of which tax is chargeable";

(*b*) in paragraph (*b*), after the words " section twenty-six of this Act " there shall be inserted the words " or the application of chargeable processes " ;

(*c*) in paragraph (*d*), for the words " wholesale merchants or manufacturers ", in both places where those words occur, there shall be substituted the word " persons " ; and

(*d*) paragraph (*h*) shall be omitted.

Reduction of tax charged on certain chargeable processes.

21.—(1) Where in respect of the application of a chargeable process to chargeable goods it is shown to the satisfaction of the Commissioners—

(*a*) that those goods were at the time of the application of the process the property of the person to whose

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order that process was applied and were last acquired by him more than two years, or such shorter period as the Commissioners may allow, before that time, or were acquired by him under any testamentary disposition or intestacy; and

(*b*) that the goods were not held by him at any time as stock for the purposes of any trade carried on by him,

any purchase tax chargeable, whether before or after the passing of this Act, by virtue of the application of the process shall, instead of being chargeable on the wholesale value of the resulting goods, be chargeable on the amount by which that value exceeds the wholesale value of so much of the chargeable goods to which the process was applied as is incorporated in the resulting goods.

(2) If the person to whose order the process is applied in furnishing any information for the purpose of, or in connection with, the obtaining of any relief under this section makes any statement which he knows to be false in a material particular or recklessly makes any statement which is false in a material particular, he shall, without prejudice to any liability to punishment in respect thereof, be accountable for the tax which would be chargeable by virtue of the application of the process apart from the provisions of this section.

Remission of purchase tax on exported vehicles

22.—(1) Where it is shown to the satisfaction of the Commissioners that a person who acquires a mechanically propelled vehicle from the manufacturer of that vehicle, being a person who is registered, is only temporarily in the United Kingdom and is or is about to be resident outside the United Kingdom, the Commissioners may, subject to such conditions as they may think necessary for the protection of the revenue, remit any tax which would otherwise be payable in respect of the vehicle by the manufacturer.

(2) If the manufacturer does not, within such period as the Commissioners may direct, show to their satisfaction that he has exported the vehicle, or if any of the conditions imposed by the Commissioners (including conditions as to the manner of exportation) are not complied with, the tax which, apart from the provisions of this section, would have been payable shall be deemed to have become payable and shall be recoverable as a debt due to His Majesty.

(3) This section shall have effect and be deemed always to have had effect as respects all tax becoming due on or after the tenth day of April, nineteen hundred and forty-six.

Amendments of Finance (No. 2) Act, 1940, s. 28.

23.—(1) Where by any provision of this or any subsequent Act any change is made in the classes of goods which are chargeable goods or in the rate at which tax is chargeable in respect

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of goods of any class, section twenty-eight of the Finance (No. 2) Act, 1940 (which provides for adjustments of rights between buyer and seller) shall apply as if the change had been effected by an order of the Treasury and as if the references to the approval of the order by the Commons House of Parliament were references to the passing of the Act which makes the change.

(2) The said section twenty-eight shall apply in relation to the application of a chargeable process under any contract not being a purchase, as if—

(*a*) the contract were a purchase ; and

(*b*) the goods resulting from the application of the process had been bought under the contract ; and

(*c*) references in the said section twenty-eight to the buyer and the seller were respectively references to the party to whose order the process is applied under the contract and the party who applies the process to his order thereunder,

so, however, that in considering whether any and, if so, what sum is recoverable under subsection (1) of that section in the case of such a contract, only tax chargeable on the completion of the process for which the party who is to be treated under this subsection as the seller is accountable shall be taken into account.

(3) The said section twenty-eight shall apply and be deemed always to have applied in relation to—

(*a*) the provisions of this Act rendering purchase tax chargeable on the completion of any chargeable process ; and

(*b*) any order under this Act varying the Fourth Schedule to this Act ; and

(*c*) any provisions of any Act subsequent to this Act varying the said Schedule,

as if the said provisions of this Act, the said order or the said provisions of the subsequent Act were making a change in the classes of goods which were chargeable goods.

PART III.

INCOME TAX.

Increase of earned income reliefs, etc. 15 & 16 Geo. 5. c. 36.

24.—(1) Subsection (1) of section fifteen of the Finance Act, 1925 (which, as amended by subsequent enactments, provides for a deduction of tax on an amount equal to one-tenth of the amount of earned income, but not exceeding one hundred and fifty pounds) and subsection (2) of the said section fifteen (which, as amended by subsequent enactments, provides, in a case where an individual or his wife has attained the age of sixty-five

PART III. —*cont.*

and his total income does not exceed five hundred pounds, for a deduction of tax on an amount equal to one-tenth of his income) shall have effect as if the words " one-eighth " were substituted for the words " one-tenth " :

Provided that the additional relief afforded by this subsection for the year 1946–47 shall not affect the amount of tax deductible or repayable before the fifth day of October, nineteen hundred and forty-six.

(2) Section eighteen of the Finance Act, 1920 (which, as amended by subsequent enactments, provides, in the case of married persons, for a deduction of tax on one hundred and eighty pounds, increased, in a case where the total income of the claimant includes earned income of his wife, by an amount equal to nine-tenths of that earned income or eighty pounds, whichever is the less) shall have effect as if the words " one hundred and ten pounds " were substituted for the words " eighty pounds " and as if the words " seven-eighths " were substituted for the words " nine-tenths ".

Continuation of certain expiring reliefs. 2 & 3 Geo. 6. c. 109.

25.—(1) Section eleven of the Finance (No. 2) Act, 1939 (which grants relief in respect of diminution of earned income owing to circumstances directly or indirectly connected with the war) shall apply in relation to tax for the year 1946–47 as it applied in relation to tax for the year 1939–40, with the adaptation that references to the year 1939–40 shall be construed as references to the year 1946–47 and references to the year 1938–39 shall be construed as references to the year 1945–46.

4 & 5 Geo. 6. c. 30.

(2) Section nine of the Finance Act, 1941 (which enables the limit of relief in respect of insurance premiums to be calculated by reference to pre-war income) shall apply with respect to income tax chargeable for the year 1946–47 as it applied with respect to income tax chargeable for the year 1945–46.

Repayment of post-war credits in certain cases.

26.—(1) Subject to the provisions of this section, if a man makes a written application to the Commissioners of Inland Revenue in such form as they may require and satisfies them—

(*a*) that, on or before the date of his application, he had attained the age of sixty-five years ; and

(*b*) that, if that date had been the date fixed by the Treasury under subsection (1) of section seven of the Finance Act, 1941, he would have been entitled to have a post-war credit to which this section applies credited to him for his own use ; and

(*c*) that his title to the credit does not arise under or by virtue of any assignment or charge, other than an assignment by the personal representatives of a deceased

person to a beneficiary under the will or other testamentary disposition of, or on the intestacy of, the deceased person,

the said section seven shall, in relation to that credit, have effect as if the said date had been fixed by the Treasury under the said subsection (1):

Provided that the amount falling to be credited to the claimant under the said section seven shall, in lieu of being credited to him thereunder, be paid by the Commissioners of Inland Revenue as soon as may be after such date, not being in any case earlier than the first day of August, nineteen hundred and forty-six, as may be prescribed.

(2) Subsection (1) of this section shall apply to a woman as it applies to a man, with the substitution of the words "sixty years" for the words "sixty-five years".

(3) In this section, the expression "a post-war credit to which this section applies" means a sum ascertained and recorded in relation to an individual under section seven of the Finance Act, 1941, for the year 1941–42, the year 1942–43 or the year 1943–44:

Provided that where, by reason of an apportionment of any such sum between a man and his wife under the provisions of the said section seven, or by reason of an assignment by the personal representative of a deceased person, a man or woman who makes an application under this section would have been entitled to have credited to him or her only a part of the said sum if the date of his or her application had been the date fixed by the Treasury as aforesaid, the said expression shall, in relation to that man or woman, mean that part of that sum.

(4) Where a payment is made under this section in respect of a post-war credit and the amount ascertained and recorded in relation to the individual in question under subsection (1) of section seven of the Finance Act, 1941, exceeds the actual amount of tax ultimately borne by that individual for the year of assessment in question which is attributable to the passing of subsections (2), (3) and (4) of section six of that Act, and the excess is attributable to an adjustment of the liability of that individual to income tax, the amount of the excess, or, where the proviso to the last preceding subsection applies, a proportionate part of that amount, shall be recoverable from the person to whom the payment was made as a debt due to the Crown.

(5) The Treasury may make regulations for carrying this section into effect and, in particular, for prescribing anything which under this section is to be prescribed and for requiring claimants to produce such evidence in support of their claims (whether made before or after the making of the regulations) as may be required by the Commissioners of Inland Revenue.

PART III. —*cont.*

(6) If any person, in or in connection with an application under this section, makes a statement which he knows to be false in any material particular or recklessly makes any statement which is false in any material particular, he shall be liable on summary conviction to imprisonment for a term not exceeding three months, or to a fine not exceeding one hundred pounds, or to both such imprisonment and such fine.

(7) Such sums as are required by the Commissioners of Inland Revenue for the purpose of making payments under this section shall be issued to them out of the Consolidated Fund of the United Kingdom or the growing produce thereof.

(8) For the purpose of providing any sums to be issued under the last preceding subsection, the Treasury may raise money in any manner in which they are authorised to raise money under the National Loans Act, 1939, and any securities created and issued to raise money under this subsection shall be deemed for all purposes to have been created and issued under that Act.

2 & 3 Geo. 6. c. 117.

(9) This section other than the provisions of subsection (6) thereof shall be deemed to have had effect as from the first day of June, nineteen hundred and forty-six.

Insurance contributions, family allowances and insurance benefit.

27.—(1) The amount of any contribution paid by any person under the National Insurance Act shall be deducted from or set off against any income of that person for the year of assessment in which the contribution is paid, and tax shall, where necessary, be discharged or repaid accordingly, and the total income of that person for that year of assessment shall be calculated accordingly for all the purposes of the Income Tax Acts, and no relief or deduction shall be given or allowed under any other provision of those Acts in respect of any contribution in respect of which relief can be given under this subsection:

Provided that nothing in this subsection—

(*a*) shall be construed as allowing any amount to be deducted from or set off against any income of any person in respect of any contribution paid by him on behalf of any other person; or

(*b*) shall apply to any employer's contribution which, apart from this subsection, would be allowable as a deduction in computing the amount of any profits or gains, or would be included in computing the expenses of management in respect of which relief may be claimed under section thirty-three of the Income Tax Act, 1918, or would be included in computing the expenses of management or supervision in respect of which relief may be claimed under section twenty-six of the Finance Act, 1922.

8 & 9 Geo. 5. c. 40.

PART III. —*cont.*

(2) Subject to the provisions of this subsection, payments of benefit under the National Insurance Act, other than maternity grant and death grant, and payments on account of family allowances shall be charged to income tax under Schedule E on the amounts thereof for the year of assessment and shall be deemed to be earned income for all the purposes of the Income Tax Acts:

Provided that no such payment shall be treated by virtue of this subsection as earned income for the purposes of subsection (2) of section eighteen of the Finance Act, 1920 (which provides, in the case of married persons, for an increased personal allowance by reference to the wife's earned income) unless it is payable by way of unemployment benefit, sickness benefit or maternity allowance.

(3) In this section, the expression "the National Insurance Act" means any Act of the present Session (whether passed before, after, or at the same time as this Act) establishing an extended system of national insurance providing pecuniary payments by way of unemployment benefit, sickness benefit, maternity benefit, retirement pension, widows' benefit, guardian's allowance and death grant, or any Act of the Parliament of Northern Ireland passed for purposes similar to the purposes of that Act, and includes any enactment in so far as it amends any such Act, the expressions "contribution", "employer's contribution", "unemployment benefit", "sickness benefit", "maternity allowance", "maternity grant" and "death grant" have the same meanings as in the National Insurance Act, and the expression "family allowance" means a family allowance under the Family Allowances Act, 1945, under the Family Allowances Act (Northern Ireland), 1945, or under any enactment amending either of those Acts. 8 & 9 Geo. 6. c. 41.

(4) A person who, by virtue of any provision of the National Insurance Act, suffers a deduction from his remuneration in respect of any contribution shall be deemed for the purposes of this section to have paid a contribution equal to the amount of the deduction.

Surtax on income under settlements.

28.—(1) Where, during the life of the settlor, income arising under a settlement made on or after the tenth day of April, nineteen hundred and forty-six, is, under the settlement and in the events that occur, payable to or applicable for the benefit of any person other than the settlor, then, unless, under the settlement and in the said events, the income either—

(*a*) is payable to an individual for his own use; or

(*b*) is applicable for the benefit of an individual named in that behalf in the settlement or of two or more individuals named in that behalf therein; or

PART III. —*cont.*

(*c*) is applicable for the benefit of a child or children of an individual named in that behalf in the settlement; or

(*d*) is income from property of which the settlor has divested himself absolutely by the settlement; or

(*e*) is income which, by virtue of some provision of the Income Tax Acts other than this section, is to be treated for the purposes of those Acts as income of the settlor,

the income shall be treated for the purposes of surtax as the income of the settlor and not as the income of any other person:

Provided that the exceptions provided for by paragraphs (*a*), (*b*) and (*c*) of this subsection shall not apply where the named individual or individuals or, in the case of the said paragraph (*c*), either the named individual or the child or any of the children in question, is in the service of the settlor or accustomed to act as the solicitor or agent of the settlor.

(2) The settlor shall not be deemed for the purposes of this section to have divested himself absolutely of any property if that property or any income therefrom or any property directly or indirectly representing proceeds of, or of income from, that property or any income therefrom is, or will or may become, payable to him or applicable for his benefit in any circumstances whatsoever:

Provided that a settlor shall not be deemed not to have divested himself absolutely of any property by reason only that that property or income therefrom or any such other property or income as aforesaid may become payable to him or applicable for his benefit in the event of—

(*a*) the bankruptcy of some person who is or may become beneficially entitled to any such property or income; or

(*b*) an assignment of or charge on any such property or income being made or given by some such person; or

(*c*) in the case of a marriage settlement, the death of both the parties to the marriage and of all or any of the children of the marriage; or

(*d*) the death under the age of twenty-five or some lower age of some person who would be beneficially entitled to that property or income on attaining that age.

(3) In this section, the expressions "income arising under a settlement", "settlement" and "settlor" have the meanings assigned to them for the purposes of Part IV of the Finance Act, 1938, by subsection (4) of section forty-one of that Act; and Part I of the Sixth Schedule to the Finance Act, 1943 (which relates to settlements with more than one settlor) shall have effect in relation to this section as it has effect in relation to the said Part IV.

1 & 2 Geo. 6. c. 46.

6 & 7 Geo. 6. c. 28.

Relief for payments for technical education.

29.—(1) Notwithstanding anything in Rule 3 of the Rules applicable to Cases I and II of Schedule D, where a person carrying on a trade makes any payment to be used for the purposes of technical education related to that trade at any university or university college, or at any such technical college or other similar institution as may for the time being be approved for the purposes of this section by the Minister of Education, the payment may be deducted as an expense in computing the profits or gains of the trade for the purposes of income tax.

(2) For the purposes of this section, technical education shall be deemed to be related to a trade if, and only if, it is technical education of a kind specially requisite for persons employed in the class of trade to which that trade belongs.

(3) In relation to technical colleges or other institutions in Scotland or Northern Ireland, this section shall have effect as if for the reference to the Minister of Education there were substituted references, in the case of Scotland, to the Secretary of State, and, in the case of Northern Ireland, to the Ministry of Education for Northern Ireland.

Armed forces, etc.

30.—(1) Where, under the scheme relating to men in the armed forces of the Crown announced on behalf of His Majesty's Government in the United Kingdom on the fifteenth day of April, nineteen hundred and forty-six, or under any other scheme certified by the Treasury to make analogous provision for classes of persons to whom the first mentioned scheme does not apply, a person who has served in the armed forces of the Crown at any time during the continuance in force of the Emergency Powers (Defence) Act, 1939, voluntarily undertakes to serve therein for a further period, any sum payable to him in pursuance of the scheme out of moneys provided by Parliament by way of bounty at the commencement or gratuity at the end of his further period of service shall not be regarded as income for any of the purposes of the Income Tax Acts.

(2) Any allowance payable out of the public revenue to or in respect of any class of persons, being either members of the armed forces of the Crown or women serving in any of the capacities mentioned in the Sixth Schedule to this Act, as respects which the Treasury certify either—

(*a*) that it is payable to the persons in question in lieu of food or drink normally supplied in kind to members of the armed forces or women serving in any of the capacities aforesaid; or

(*b*) that it is payable in respect of the persons in question as a contribution to the expenses of a mess,

shall not be regarded as income for any of the purposes of the Income Tax Acts.

PART III. —*cont.*

6 & 7 Geo. 6. c. 45.

7 & 8 Geo. 6. c. 12.

(3) The Income Tax (Employments) Act, 1943, shall extend to pay, pensions or other emoluments in respect of service in or with the armed forces of the Crown assessable to income tax under Schedule E, and accordingly in subsection (2) of section one of that Act, as amended by section one of the Income Tax (Offices and Employments) Act, 1944, the words " other than pay, pensions or other emoluments payable in respect of service in or with the armed forces of the Crown " shall cease to have effect.

(4) Without prejudice to the generality of the powers conferred by subsection (1) of section two of the Income Tax (Employments) Act, 1943, regulations under that subsection may make such special provision in relation to members of the armed forces of the Crown or women serving in any of the capacities mentioned in the Sixth Schedule to this Act, as may appear appropriate.

(5) The provisions of the two last preceding subsections shall have effect only as respects income tax for the year 1947–48 or any subsequent year of assessment.

Relief from tax on dividends from companies resident abroad.

31.—(1) Where, on a claim made under this section, a person satisfies the Commissioners of Inland Revenue as respects an ordinary dividend paid to him and in respect of which he is chargeable to income tax by deduction or otherwise for the year 1945–46 or any subsequent year of assessment, that—

(*a*) it is a dividend paid by a body corporate not resident in the United Kingdom ; and

(*b*) the relevant profits of that body corporate included profits on which United Kingdom income tax has been paid by that body corporate, by deduction or otherwise,

he shall be entitled to relief from the tax so chargeable on him in respect of the appropriate fraction of the dividend.

(2) In this section, the expression " the appropriate fraction " means, in relation to a dividend paid by a body corporate, the fraction having, as numerator, the gross amount of the relevant profits of that body corporate on which United Kingdom income tax has been paid by it, by deduction or otherwise, and, as denominator, the said gross amount plus the gross amount of the relevant profits of the body corporate on which United Kingdom income tax has not been paid by it.

Provided that the said gross amounts shall be subject to the following adjustments in respect of rents paid by the body corporate, in respect of interest, annuities or other annual payments paid by the body corporate, not being payments of dividends or distributions of profits and in respect of royalties paid by the body corporate, that is to say—

(*a*) where by reason of the payment or charge of the said United Kingdom income tax, the body corporate has

become entitled to deduct and retain tax on the whole or any part of the rent, payment or royalty, the first mentioned gross amount shall be deemed for the purposes of this subsection to be reduced by an amount equal to the whole, or, as the case may be, that part, of that rent, payment or royalty;

(*b*) where none of the provisions of the Income Tax Acts providing for the deduction and retention of tax apply to the rent, payment or royalty, and the rent, payment or royalty is paid out of the relevant profits, the last mentioned gross amount shall be deemed for the purposes of this subsection to be reduced by the amount of the rent, payment or royalty in so far as that rent, payment or royalty has not been deducted in computing that gross amount.

(3) Subject to the provisions of subsection (4) of this section, the expression "the relevant profits" means in relation to any dividend paid by a body corporate—

(*a*) if the dividend is paid for a specified period, the profits of the body corporate of that period;

(*b*) if the dividend is not paid for a specified period but is paid out of specified profits of the body corporate, those profits;

(*c*) if the dividend is paid neither for a specified period nor out of specified profits, the profits of the body corporate of the last period for which the accounts thereof were made up which ended before the dividend became payable.

(4) If, in a case falling under paragraph (*a*) or paragraph (*c*) of the last preceding subsection, the total dividend exceeds the profits of the body corporate of the period mentioned in the said paragraph (*a*) or the said paragraph (*c*), as the case may be,—

(*a*) the relevant profits shall be the profits of that period plus so much of the profits of preceding periods (other than profits previously distributed or previously treated as relevant for the purposes of this section) as is equal to the excess (the profits of the most recent preceding period being first taken into account, then the profits of the next most recent preceding period, and so on); and

(*b*) where only part of the profits of any period are taken into account, that part shall be treated as consisting of profits on which United Kingdom income tax has been paid by the body corporate of an amount which bears to the total profits of that period on which United Kingdom income tax has been so paid the same proportion as the part of the profits taken into account as aforesaid bears to the whole of the profits of the period.

PART III. —*cont.*

(5) Where a body corporate not resident in the United Kingdom controls, directly or indirectly, not less than one half of the voting power in any other body corporate not resident in the United Kingdom, and receives an ordinary dividend paid by that other body corporate, then, if the relevant profits of that other body corporate include profits on which United Kingdom income tax has been paid by that other body corporate, by deduction or otherwise, the first mentioned body corporate shall be treated for the purposes of this section as having paid United Kingdom income tax on an amount equal to the appropriate fraction of that dividend.

(6) In this section, the expression "ordinary dividend" means a dividend on a share which is not a preferred share and so much of any dividend on a preferred share as is not paid at a fixed gross rate per cent., and, for the purposes of this definition, the expression "preferred share" means a share which carries the right to dividends at a fixed gross rate per cent. payable in priority to all the dividends on some other class of share, whether or not it also carries the right to some further participation in profits.

In this subsection, the expression "share" includes stock.

(7) Any reference in this section to the gross amount of any profits is a reference to the gross amount of those profits without any deduction of or in respect of United Kingdom income tax or any similar tax leviable outside the United Kingdom.

(8) A claim under this section must be made to the Commissioners of Inland Revenue not later than six years after the end of the year of assessment for which the dividend is chargeable to tax, and section nineteen of the Finance Act, 1925 (which relates to the making and allowing of claims for certain reliefs and rights of appeal) shall apply in relation to claims under this section as it applies in relation to the claims mentioned in that section.

(9) Any relief granted under this section—

(*a*) may be given by way of repayment of tax or otherwise; and

(*b*) shall, for the purposes of paragraph 2 of the Seventh Schedule to the Finance (No. 2) Act, 1945 (which delimits the relief allowable under double taxation agreements), be deemed to reduce the amount of United Kingdom income tax chargeable in respect of the dividend in question; and

(*c*) shall, for the purposes of subsection (1) of section twenty-seven of the Finance Act, 1920 (which relates to Dominion income tax relief) (but not for the purposes of the

definition of "appropriate rate of United Kingdom income tax" set out in Part II of the Fifth Schedule to the Finance Act, 1927), be deemed to reduce the amount of tax paid or payable by the person to whom the relief is granted; and 17 & 18 Geo. 5. c. 10.

(*d*) shall, for the purposes of subsection (3) of section forty of the Finance Act, 1927 (which limits the amount of personal or other reliefs in certain cases), be treated as if it were a relief in respect of a reduction of an assessment,

but the granting of relief under this section shall not operate to reduce the total income of any person for any of the purposes of the Income Tax Acts, and, in considering for the purposes of Rule 19 or Rule 21 of the General Rules whether any payment has been made wholly or partly out of profits or gains brought into charge to tax, so much of any dividend as is the subject of relief given under this section shall be treated as not having been brought into charge to tax.

Assessment for penultimate year of trades discontinued in consequence of nationalisation schemes.

32. Where, by any Act passed after the beginning of the present Session which embodies any scheme for the carrying on of any industry or part of an industry, or of any undertaking, under national ownership or control, provision is made for the transfer of any property, constituting the assets of a trade, as part of the initial putting into force of the scheme, to the Crown or to a body corporate constituted for the purposes of that scheme or any previous scheme for such national ownership or control as aforesaid and, in consequence of the transfer, the trade is permanently discontinued in 1946–47 or any subsequent year of assessment, no additional assessment shall be made under paragraph (*b*) of subsection (1) of section thirty-one of the Finance Act, 1926, in consequence of that discontinuance for the year preceding the year of assessment in which that discontinuance occurs.

Increase of balancing allowances under Part I of Income Tax Act, 1945. 8 & 9 Geo. 6. c. 32.

33.—(1) Subject to the provisions of this section, so much of the provisions of subsection (4) of section three of the Income Tax Act, 1945, as requires that balancing allowances to be made in the events mentioned in subsection (1) of that section (being sales of and other events relating to industrial buildings and structures) shall, in the cases mentioned in the said subsection (4), be reduced by applying a certain fraction, shall not have effect.

(2) Where any person by notice in writing to the surveyor elects that subsection (1) of this section shall not have effect in relation to any of the said events, he shall, in relation to that event, be treated for all the purposes of the Income Tax Acts as he would have been treated apart from the provisions of subsection (1) of this section.

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Amendment of Income Tax Act, 1945, s. 59.

34.—(1) Subsection (3) of section fifty-nine of the Income Tax Act, 1945 (which, amongst other things, prohibits the making of initial allowances in certain cases to a buyer of machinery or plant) shall, in the case of a sale to which this section applies, have effect subject to the modification hereinafter specified.

(2) This section applies to any sale of machinery or plant where—

(*a*) the sale is one to which paragraph (*a*) of subsection (1) of the said section fifty-nine applies and paragraph (*b*) of the said subsection (1) does not apply; and

(*b*) an initial allowance fell to be made to the seller of the machinery or plant in respect of the capital expenditure which he incurred on the provision thereof; and

(*c*) a balancing charge is made on the seller by reason of the sale; and

(*d*) the price which the machinery or plant would have fetched if sold in the open market at the time of the sale exceeds four-fifths of the limit of recharge on the seller.

(3) The modification referred to is that paragraph (*a*) of subsection (3) of the said section fifty-nine shall not apply but the initial allowance to the buyer shall not exceed whichever of the three following amounts is the lowest, that is to say—

(*a*) the excess of the said price over four-fifths of the said limit of recharge;

(*b*) the initial allowance which fell to be made to the seller as aforesaid;

(*c*) the amount on which a balancing charge is made on the seller as aforesaid.

(4) Expressions used in the preceding provisions of this section have the meanings which they have in subsection (3) of the said section fifty-nine.

Amendment of Income Tax Act, 1918, s. 146.

35. The power conferred on the general commissioners by section one hundred and forty-six of the Income Tax Act, 1918, to charge a person to treble tax under Schedule D in certain circumstances shall, during the continuance in force of paragraph 4 of Part I of the Tenth Schedule to the Finance Act, 1942 (which makes assessments under Schedule D effective without the interposition of the general commissioners) be exercisable also by the additional commissioners, but paragraph 5 of the said Part I (which enables a single additional commissioner to act) shall not apply to the exercise thereof.

PART IV.

EXCESS PROFITS TAX AND THE NATIONAL DEFENCE CONTRIBUTION.

Termination of excess profits tax.

36. Excess profits tax shall not be chargeable in respect of the profits of any accounting period beginning after the end of the year nineteen hundred and forty-six or in respect of so much

of the profits of any accounting period beginning before the end of that year as is apportionable to the part thereof falling after the end of that year, and accordingly the enactments specified in the Seventh Schedule to this Act shall have effect subject to the amendments specified in that Schedule.

Relief from excess profits tax for terminal expenses.

37.—(1) Subject to the provisions of this section, if any person who, in a chargeable accounting period ending on the thirty-first day of December, nineteen hundred and forty-six, carried on a trade or business the profits of which for any chargeable accounting period are charged to excess profits tax, makes a claim for relief under this section and proves that, within the period specified in subsection (2) of this section, any terminal expenses, as defined in subsection (3) of this section, have been incurred in connection with the trade or business, he shall be entitled to require—

(*a*) in the case of costs of deferred repairs and renewals, that the profits of the trade or business for the accounting period to which in the opinion of the Commissioners the costs are reasonably and properly attributable, or, where those costs are in their opinion reasonably and properly attributable to more than one accounting period, the profits of the trade or business for each of the accounting periods, shall, for the purposes of excess profits tax, be treated as reduced by the amount of the said costs, or the part of that amount which is, in the opinion of the Commissioners, reasonably and properly attributable to that period, as the case may be;

(*b*) in the case of rehabilitation costs, that the profits of the trade or business for the chargeable accounting period ending on the said thirty-first day of December, shall, for the purposes of excess profits tax, be treated as reduced by the amount of the said costs.

(2) The period referred to in subsection (1) of this section is the year nineteen hundred and forty-seven:

Provided that if the person making the claim produces to the Commissioners before the end of March, nineteen hundred and forty-eight, particulars of work required to be done, as at the said thirty-first day of December, and satisfies them that it was not possible for that work to be done before the end of the year nineteen hundred and forty-seven, the Commissioners may treat the said period as extended, in relation to any terminal expenses incurred on doing that work, until the end of the year nineteen hundred and forty-eight or, if the circumstances so require, until such later date as the Commissioners may allow, being a date not later than the end of the year nineteen hundred and forty-nine.

(3) For the purposes of this Part of this Act, the expression "terminal expenses" means expenses incurred by the person

PART IV. —*cont.*

carrying on the trade or business, consisting of costs of deferred repairs and renewals, as defined in subsection (4) of this section, and rehabilitation costs, as defined in subsection (5) of this section :

Provided that so much of any expenses as has been or is to be met directly or indirectly by the Crown or by any government or public or local authority, whether in the United Kingdom or elsewhere, or by any person other than the person carrying on the trade or business, shall be left out of account.

(4) For the purposes of this section, the expression " costs of deferred repairs and renewals " means expenditure on repairs and renewals necessary to maintain assets in an effective working condition, being repairs and renewals which have been deferred by reason of conditions prevailing as a consequence of the war and which would, if they had not been deferred, have been carried out in an accounting period constituting or including a chargeable accounting period :

Provided that the said expression does not include any expenditure which, if the repairs and renewals had not been deferred, would not have fallen to be allowed in computing for the purposes of excess profits tax the profits arising from the trade or business in an accounting period constituting or including a chargeable accounting period.

(5) For the purposes of this section, the expression " rehabilitation costs " means—

(*a*) expenditure on the removal of works designed to afford protection from hostile attack ;

(*b*) where the trade or business was, as a consequence of the war, removed in whole or in part to a different place, expenditure on again removing the trade or business or that part thereof back to the place where it was carried on before the first mentioned removal, or, where the trade or business or that part thereof is not removed back to that place, expenditure on removing it to some other place up to the amount which would have been incurred in removing it back to that place ;

(*c*) where any buildings, plant, machinery or other physical assets held for the purposes of the trade or business were, either as regards lay-out or otherwise, altered so as to adapt them to conditions prevailing as a result of the war, any expenditure incurred on again altering the assets so as to readapt them to peace-time requirements, except so far as that expenditure consists of costs of deferred repairs and renewals or represents an improvement of the character or condition of the assets as compared with their character and condition before the first mentioned alteration.

A trade or business shall be treated for the purposes of paragraphs (*b*) and (*c*) of this subsection as continuing to be the same trade or business notwithstanding any change in the persons carrying it on.

(6) Where an accounting period falls partly before and partly after the end of the year nineteen hundred and forty-six, all terminal expenses incurred in that accounting period which would, apart from this subsection and subsection (2) of section thirty-three of the Finance Act, 1940 (which relates to the spreading of deductions over more than one accounting period), be allowable as deductions in computing the profits thereof shall be treated for the purposes of subsection (1) of this section as if they were expenses incurred after the end of that year, and where a claim is made for relief under this section, no deduction in respect of any terminal expenses to which the preceding provisions of this subsection apply shall be allowed otherwise than under subsection (1) of this section from, or in computing the profits of, any accounting period or chargeable accounting period.

3 & 4 Geo. 6. c. 29.

(7) Subsection (2) of section thirty-three of the Finance Act, 1940 (which relates to the spreading of deductions over more than one accounting period) shall not apply in relation to any terminal expenses incurred in any accounting period beginning at or after the end of the year nineteen hundred and forty-six.

(8) Where relief is claimed under this section in respect of rehabilitation costs and the person making the claim is entitled for the purposes of excess profits tax to an allowance under paragraph 3 of Part I of the Seventh Schedule to the Finance (No. 2) Act, 1939, or subsection (1) of section thirty-three of the Finance Act, 1940 (which relate to exceptional depreciation allowances) and that allowance is greater than it would have been if the work which was the subject of the rehabilitation costs had been completed on the thirty-first day of December, nineteen hundred and forty-six, the relief allowable under this section in respect of those costs shall be reduced by the amount of the excess.

(9) Where the person who, in a chargeable accounting period ending on the thirty-first day of December, nineteen hundred and forty-six, carried on a trade or business is a body corporate and was in that period a member of a group of companies—

(*a*) any claim under this section shall be made, and be made only, by the principal company of the group;

(*b*) all terminal expenses incurred after a change in the identity of the group or after the body corporate who carried on the trade or business has ceased to be a member of the group shall be left out of account; and

PART IV. *cont.*—

(*c*) in the case of costs of deferred repairs and renewals, so much of the expenses as, in the opinion of the Commissioners, is reasonably and properly attributable to an accounting period during which that body corporate was not a member of the group shall be left out of account.

(10) Where the person who, in a chargeable accounting period ending on the thirty-first day of December, nineteen hundred and forty-six, carried on a trade or business is a body corporate and was not in that period, but subsequently becomes, a member of a group of companies, all terminal expenses incurred after the body corporate becomes a member of the group shall be left out of account.

(11) Where the person who, in a chargeable accounting period ending on the thirty-first day of December, nineteen hundred and forty-six, carried on a trade or business, is a body corporate and was not in that period, but was previously, a member of a group of companies, so much of any costs of deferred repairs and renewals as, in the opinion of the Commissioners, is reasonably and properly attributable to an accounting period during which that body corporate was a member of the group shall be left out of account.

Relief for losses on sales of stock.

38.—(1) Subject to the provisions of this section, if any person who, in a chargeable accounting period ending on the thirty-first day of December, nineteen hundred and forty-six, carried on a trade or business the profits of which for any chargeable accounting period are charged to excess profits tax, makes a claim for relief under this section and proves that—

(*a*) on the said thirty-first day of December, stock was taken of all the trading stock then held for the purposes of the trade or business; and

(*b*) that, on the sales of stock effected during the sales period, as hereinafter defined, a claimable loss has been sustained in that trade or business,

he shall be entitled to require that the profits of the trade or business for the said chargeable accounting period shall, for the purposes of excess profits tax, be treated as reduced by the amount of the claimable loss:

Provided that—

(i) no relief shall be given under this section if the trade or business is discontinued at the end of the said chargeable accounting period;

(ii) where the whole or part of any loss sustained on sales of, or resulting from any fall in the value of, any of the stock held for the purposes of the trade or business on the said thirty-first day of December has been or is to

be met directly or indirectly by the Crown or by any government or public or local authority, whether in the United Kingdom or elsewhere, or by any person other than the person carrying on the trade or business, such reduction, if any, shall be made in the relief given under this section as is necessary to secure that that relief does not extend to that loss or that part of that loss, as the case may be.

(2) The provisions of the Eighth Schedule to this Act shall have effect for the purpose of determining whether any and if so what claimable loss has been sustained in a trade or business on sales of stock effected during the sales period.

(3) In this section and in the said Eighth Schedule, the expression " the sales period " means the years nineteen hundred and forty-seven and nineteen hundred and forty-eight :

Provided that if during the said years the trade or business in question is discontinued, the sales period shall be the period beginning with the beginning of the year nineteen hundred and forty-seven and ending with the date of the discontinuance.

(4) Where the person who, in a chargeable accounting period ending on the thirty-first day of December, nineteen hundred and forty-six, carried on a trade or business is a body corporate and was in that period a member of a group of companies, any claim under this section shall be made, and be made only, by the principal company of the group.

(5) Where any of the following events occurs, that is to say—

(*a*) a change takes place in the persons carrying on a trade or business ; or

(*b*) the person carrying on a trade or business, being a body corporate, becomes or ceases to be a member of a group of companies ; or

(*c*) there is a change in the identity of a group of companies of which the person carrying on a trade or business, being a body corporate, is a member,

the trade or business shall be treated for the purposes of this section as if it were discontinued at the time of the happening of the event.

Supplementary provisions as to relief for terminal expenses and losses on sales of stock.

39.—(1) The provisions of the Ninth Schedule to this Act shall have effect in relation to claims for relief under the two last preceding sections.

(2) Any provision in the two last preceding sections that the profits for any accounting period or chargeable accounting period shall, for the purposes of excess profits tax, be treated as reduced by any amount shall, where there are no such profits,

PART IV. —*cont.*

or a loss, for that period, or where those profits for that period are less than the said amount, be construed as a provision that, for those purposes, there shall be deemed to be a loss for that period of that amount, the loss for that period shall be deemed to be increased by that amount, or there shall be deemed to be a loss for that period equal to the excess of that amount over the amount of those profits, as the case may be.

(3) In the two last preceding sections, the expressions "a group of companies" and "the principal company" have the meanings assigned to them by subsection (1) of section twenty-eight of the Finance Act, 1940, and for the purposes of the two last preceding sections a group of companies shall be deemed to be the same group notwithstanding any changes in the members thereof so long as, and only so long as, the same body corporate remains the principal company of the group, and references to changes in the identity of the group shall be construed accordingly.

(4) Where any of the following events occurs, that is to say—

(*a*) a change takes place in the persons carrying on a trade or business; or

(*b*) the person carrying on a trade or business, being a body corporate, becomes or ceases to be a member of a group of companies; or

(*c*) there is a change in the identity of a group of companies of which the person carrying on a trade or business, being a body corporate, is a member,

and, apart from that event, relief or additional relief would be allowable under either of the two last preceding sections, the Commissioners may, if they think fit, allow the relief or additional relief or such part thereof as they think just, having regard to the extent to which the persons directly or indirectly interested in the trade or business, or the body corporate, as the case may be, before the change remain interested therein after the change.

Replacement of buildings provided before 1937.

40.—(1) Subject to the provisions of this section, if any person who carries on a trade or business makes a claim for relief under this section and proves—

(*a*) that a building provided by him for the purposes of the trade or business before the beginning of the year nineteen hundred and thirty-seven was sold or demolished on or after the first day of April, nineteen hundred and forty-five, and that a building containing similar or improved accommodation has, since the said first day of April, been constructed by way of replacement and used by him for the said purposes; and

(*b*) that, if, in lieu of that sale or demolition, repairs to the building sold or demolished had been carried out,

PART IV —*cont.*

expenditure thereon would have constituted costs of deferred repairs,

he shall be entitled to require that he be treated, for the purposes of excess profits tax, as having, as and when expenditure is incurred by him on the construction of the building provided by way of replacement, incurred costs of deferred repairs up to the amount specified in subsection (2) of this section, and section thirty-seven of this Act shall, where appropriate, and subject to any necessary adaptations, apply accordingly.

(2) The said amount is an amount equal to—

(*a*) so much of the expenditure which, if repairs to the building sold or demolished had been carried out immediately before the sale or demolition, would have been incurred on those repairs as would have constituted terminal expenses; or

(*b*) the net cost of the building provided by way of replacement,

whichever is the less.

(3) Where relief is given by virtue of this section, then, for the purposes of paragraph 3 of Part I of the Seventh Schedule to the Finance (No. 2) Act, 1939, and of section fifteen of the Finance Act, 1937, as applied for the purposes of excess profits tax (being provisions which relate to exceptional depreciation allowances and depreciation allowances for mills, factories, etc.) and as respects all periods whether before or after the passing of this Act, the net cost or actual cost to the person carrying on the trade or business, as the case may be, of the building provided by way of replacement shall be treated as reduced by the amount mentioned in subsection (2) of this section. 1 Edw. 8 & 1 Geo 6. c. 54.

(4) Where section thirty-seven of this Act applies by virtue of this section and the person entitled to claim under that section is the principal company of a group of companies, a claim under this section shall be made by, and only by, that company.

(5) In this section the expression "costs of deferred repairs" has the same meaning as in section thirty-seven of this Act, and the expression "net cost" has the meaning assigned to it by sub-paragraph (3) of paragraph 3 of Part I of the Seventh Schedule to the Finance (No. 2) Act, 1939.

Rehabilitation costs incurred before end of 1946

41.—(1) Where—

(*a*) whether before or after the passing of this Act, any person carrying on a trade or business incurs rehabilitation costs in connection with the trade or business before the end of the year nineteen hundred and forty-six; and

PART IV. —*cont.*

(*b*) apart from the provisions of this section, relief is not allowable in respect of those costs or part of those costs in computing the profits of the trade or business for excess profits tax purposes for any accounting period constituting or including a chargeable accounting period,

the profits of the trade or business for the chargeable accounting period in which the rehabilitation costs, or that part thereof, as the case may be, are incurred, shall, for the purposes of excess profits tax, be treated as reduced by the amount of the said costs or that part thereof, as the case may be:

Provided that so much of any rehabilitation costs as has been or is to be met directly or indirectly by the Crown or by any government or public or local authority, whether in the United Kingdom or elsewhere, or by any person other than the person carrying on the trade or business, shall be left out of account.

(2) Where the person carrying on the trade or business is, for the purposes of excess profits tax, entitled in respect of buildings, plant or machinery on which rehabilitation costs are incurred, to an allowance under paragraph 3 of Part I of the Seventh Schedule to the Finance (No. 2) Act, 1939, or subsection (1) of section thirty-three of the Finance Act, 1940 (which relate to exceptional depreciation allowances), and that allowance is increased owing to the rehabilitation costs having been treated as part of the net cost of the provision of the buildings, plant or machinery, so much of those costs as is equal to that increase in the allowance shall, by virtue of the making of the allowance, be treated for the purposes of subsection (1) of this section as costs in respect of which relief is allowable apart from the provisions of this section.

(3) The provisions of subsection (2) of section thirty-three of the Finance Act, 1940 (which relates to the spreading of deductions over more than one accounting period), shall not apply to any deduction allowable by virtue of this section.

(4) In this section the expression "rehabilitation costs" has the same meaning as in section thirty-seven of this Act.

Cancellation costs.

42.—(1) The provisions of sections thirty-seven, thirty-nine and section forty-one of this Act, shall, with the modifications hereinafter mentioned, apply in relation to cancellation costs as they apply in relation to rehabilitation costs.

(2) In this section the expression "cancellation costs" means, in relation to the person carrying on a trade or business, payments by him in consideration of the termination, whether by agreement or otherwise, of any contract for the supply of goods or materials, the rendering of services or the hire of machinery to the person

carrying on the trade or business, or of the surrender by that person of any lease, where the contract is terminated or the lease is surrendered as a consequence of the termination, whether by agreement or otherwise, of a contract for the provision by that person of goods or services for the purposes of the war.

(3) The proviso to subsection (2) of the said section thirty-seven shall not apply in relation to cancellation costs, but if the person making the claim produces to the Commissioners before the end of March nineteen hundred and forty-eight particulars of contracts or leases which, as at the thirty-first day of December, nineteen hundred and forty-six, were expected to be terminated as aforesaid or surrendered by him and satisfies them that it was necessary for the termination or surrender to be deferred beyond the end of the year nineteen hundred and forty-seven, the Commissioners may treat the period mentioned in the said subsection (2) as extended, in relation to any cancellation costs incurred in consideration of the termination or surrender of the contracts or leases, until the end of the year nineteen hundred and forty-eight or, if the circumstances so require, until such later date as the Commissioners may allow, being a date not later than the end of the year nineteen hundred and forty-nine.

(4) Where a person carrying on a trade or business who incurs cancellation costs also receives sums in consideration of the termination, whether by agreement or otherwise, of contracts for the provision by him of goods or services for the purposes of the war, the sums so received by him shall, except in so far as they go to increase the profits of the trade or business for any chargeable accounting period or are taken into account for the purposes of the proviso to subsection (3) of the said section thirty-seven or the proviso to subsection (1) of the said section forty-one be applied in reducing for the purposes of this section, first, the cancellation costs in respect of which relief would otherwise be granted under the said section thirty-seven and, in so far as they are not so applied, in reducing the cancellation costs in respect of which relief would otherwise be granted under the said section forty-one.

Matters occurring after certain dates.

43.—(1) In computing profits for the purposes of excess profits tax, no part of any deduction shall, by virtue of subsection (2) of section thirty-three of the Finance Act, 1940 (which relates to the spreading of deductions over more than one accounting period), be treated as attributable to any accounting period any part of which falls before the end of the year nineteen hundred and forty-six, unless it would, apart from the said subsection (2), have fallen to be treated, if excess profits tax had continued to be chargeable, as a deduction allowable in computing profits for an accounting period ending at or before the end of the year nineteen hundred and forty-seven:

PART IV. —*cont.*

Provided that where an accounting period of a trade or business falls partly before and partly after the end of the year nineteen hundred and forty-seven, that period shall be treated for the purposes of this subsection as if it were a period ending at or before the end of that year, as respects, but only as respects, deductions which would have fallen to be treated as allowable as aforesaid for that period if it had ended at the end of that year.

(2) Subject to the provisions of this subsection, the said subsection (2) of the said section thirty-three shall not apply to deductions in respect of expenses incurred in any accounting period ending after the end of the year nineteen hundred and forty-six so far as those expenses have been or are to be met directly or indirectly by the Crown or by any government or public or local authority, whether in the United Kingdom or elsewhere, or by any person other than the person carrying on the trade or business:

Provided that this subsection shall not prevent the attribution under the said subsection (2) of, or of any part of, any such expenses as aforesaid to any accounting period in which any sum paid to the person carrying on the trade or business by the Crown or any such government, authority or person as aforesaid to meet those expenses or that part thereof, as the case may be, is taken into account in computing the profits or loss of the trade or business for the purposes of excess profits tax, or would be so taken into account if excess profits tax had continued to be chargeable.

(3) Where—

(*a*) any expenses which have been met in whole or in part, either directly or indirectly, by the Crown or by any government or public or local authority, whether in the United Kingdom or elsewhere, or by any person other than the person carrying on the trade or business in question, are allowable in computing the profits of any trade or business for the purposes of excess profits tax; and

(*b*) apart from this subsection a sum paid to meet or towards meeting those expenses would fall to be taken into account in computing the profits of the trade or business for the purposes of excess profits tax for an accounting period ending after the end of the year nineteen hundred and forty-six, being an accounting period other than that in which the expenses are allowable, or would fall to be so taken into account if excess profits tax had continued to be chargeable,

that sum shall be taken into account in computing the profits of the trade or business for the purposes of excess profits tax for the accounting period in which the expenses are allowable, as if it had been a trading receipt for that period and shall not

PART IV. —*cont.*

be taken into account in computing the profits of the trade or business for the purposes of excess profits tax for any other accounting period.

Where the expenses mentioned in paragraph (*a*) of this subsection are allowable partly in one accounting period and partly in one or more other accounting periods, the sum mentioned in paragraph (*b*) of this subsection shall be apportioned in the same proportions as the parts of the expenses so allowable, and for the purposes of this subsection the proportions of that sum so ascertained shall be treated as having been paid to meet or towards meeting the corresponding parts of those expenses.

(4) The right under proviso (i) to subsection (1) of section twenty-three of the Finance Act, 1943 (which relates to payments to superannuation funds and certain other payments in respect of back service) to elect that a payment in respect of back service shall be apportioned among the accounting periods during which the back service was rendered shall not be exercisable as respects any payment made after the end of the year nineteen hundred and forty-seven.

Renaming of the national defence contribution.

44. The tax heretofore known as the national defence contribution shall, as from the beginning of the year nineteen hundred and forty-seven, be known as the profits tax:

Provided that this section shall not render it unlawful to continue to refer to the said tax as the national defence contribution after the beginning of the said year, or invalidate any document, whether executed or issued before or after the beginning of the said year, which refers to the said tax as the national defence contribution.

Payments for technical education.

45. The provisions of Part III of this Act providing for deductions for income tax purposes of payments for the purposes of technical education shall not apply for the purposes of excess profits tax or the national defence contribution.

PART V.

DEATH DUTIES.

Altered rates of estate duty.

46. In the case of persons dying on or after the tenth day of April, nineteen hundred and forty-six—

(*a*) the scale set out in Part I of the Tenth Schedule to this Act shall be substituted for the scale set out in the Sixth Schedule to the Finance (No. 2) Act, 1940, as the scale of rates of estate duty; and

(*b*) as respects the agricultural value of agricultural property, the entries set out in Part II of the Tenth Schedule to this Act shall be substituted for the entries relating to estates the principal value of which does not exceed ten thousand pounds in the scale of rates set out in the Third Schedule to the Finance Act, 1919; and

PART V. —*cont.*

(*c*) the enactments mentioned in Part III of the Tenth Schedule to this Act shall have effect subject to the amendments specified in that Part of that Schedule, being amendments consequential on the relief of small estates from payment of estate duty which is effected by the preceding provisions of this section.

Gifts inter vivos etc.

47. The enactments mentioned in Part I of the Eleventh Schedule to this Act (which relate to the effect for estate duty purposes of gifts inter vivos and of certain other transactions effected and circumstances prevailing in the life time of the deceased) shall, in the case of persons dying on or after the tenth day of April, nineteen hundred and forty-six, have effect subject to the amendments specified in that Part of that Schedule, being amendments extending to five years before the death the period of three years before the death which is material for the purposes of those enactments and amendments consequential on that extension :

Provided that the amendments specified in the said Part I shall have effect subject to the transitional provisions set out in Part II of the said Schedule, being provisions which—

(*a*) exempt gifts made before the tenth day of April, nineteen hundred and forty-three from the operation of the said amendments so far as they relate to gifts inter vivos ; and

(*b*) make analogous provision in relation to others of the said amendments.

PART VI.

THE NATIONAL LAND FUND.

The National Land Fund.

48.—(1) There shall be established a fund to be called the National Land Fund, which shall be under the control and management of the Treasury and shall be used for the purposes mentioned in this Part of this Act and for such other purposes as Parliament may hereafter determine.

(2) There shall be issued to the National Land Fund out of the Consolidated Fund or the growing produce thereof, at such times during the financial year ending with the thirty-first day of March, nineteen hundred and forty-seven, as the Treasury may direct, the sum of fifty million pounds in all.

(3) Any sums from time to time standing to the credit of the National Land Fund which are not immediately required for the purposes thereof may be invested in such manner as the Treasury may direct.

(4) The Treasury shall, as respects each financial year, prepare an account of receipts into and payments out of the National Land Fund, and any account prepared under this subsection shall, on or before the thirtieth day of November next following

the expiration of the financial year in question, be transmitted to the Comptroller and Auditor General who shall examine and certify the account and lay copies thereof, together with his report thereon, before both Houses of Parliament.

Extension of power to accept property in satisfaction of death duties.

49. The Commissioners of Inland Revenue shall have power to accept property under section fifty-six of the Finance (1909–10) Act, 1910, in satisfaction or part satisfaction of any estate duty, settlement estate duty, succession duty or legacy duty, and accordingly in subsection (1) of the said section fifty-six for the words " estate duty or settlement estate duty or succession duty in respect of any real (including leasehold) property " there shall be substituted the words " any estate duty, settlement estate duty, succession duty or legacy duty " and for the words " such part of the property " there shall be substituted the words " any such real (including leasehold) property ".

Disposition of property accepted in satisfaction of death duty.

50.—(1) The provisions of this section shall have effect where, under section fifty-six of the Finance (1909–10) Act, 1910, the Commissioners of Inland Revenue accept any property in satisfaction or part satisfaction of any duty.

(2) The Treasury may, if they think fit, direct that a sum equal to the amount of the duty, or, as the case may be, the part of the duty, shall be paid to the Commissioners out of the National Land Fund and dealt with by them as if it were a payment on account of the duty.

(3) The property shall be disposed of in such manner as the Treasury may direct, and in particular, but without prejudice to the generality of the preceding provision, the Treasury may direct that all or any of the property shall, on such conditions as they may direct, be ransferred to or to trustees for any body of persons not established or conducted for profit and having as its object, or one of its objects, the provision, improvement or preservation of amenities enjoyed, or to be enjoyed, by the public or the acquisition of land to be used by the public.

(4) The Treasury shall lay before both Houses of Parliament as soon as may be after the end of each financial year a statement giving particulars of any transfers under subsection (3) of this section to or to trustees for any such body as is therein mentioned in that year.

(5) Any reference in the preceding provisions of this section to the disposal or transfer of any property shall be deemed to include a reference to the granting of a lease or a sub-lease for any period and on any terms in respect of that property.

Supplemental provisions.

51.—(1) Where the Treasury have determined that any property accepted or to be accepted by the Commissioners under section fifty-six of the Finance (1909–10) Act, 1910, is to be disposed of under subsection (3) of the last preceding section,

PART VI. —*cont.*

whether to or to trustees for any such body as is therein mentioned or to any other person, they may direct that disposal thereof shall be effected by means of a transfer direct to or to trustees for that body or direct to any other person to whom the property is to be disposed of, instead of the property being transferred to the Commissioners.

(2) The Treasury may in any case direct that any property accepted by the Commissioners under the said section fifty-six shall, instead of being transferred to the Commissioners, be transferred to a person nominated by the Treasury, and where property is transferred under this subsection, the person to whom it is transferred shall, subject to any directions thereafter given as to the disposal thereof under subsection (3) of the last preceding section, hold the property and manage it in accordance with such directions as may be given to him by the Treasury.

(3) Where under subsection (2) of the last preceding section, the Treasury direct a payment to be made out of the National Land Fund in respect of any property, any sums received on the disposal of that property or any part thereof under subsection (3) of that section, including any premium received on or rent payable under any lease or sub-lease of any property disposed of thereunder by way of lease or sub-lease, and any sums otherwise received in connection with that property, shall be paid into the National Land Fund, and any sums required to defray any expenses incurred in connection with that property in so far as it has not yet been disposed of under the said subsection (3) (including, in the case of leasehold property, any rent payable in respect thereof) shall be defrayed out of the National Land Fund.

(4) No stamp duty shall be payable on any conveyance or transfer of property made under subsection (3) of the last preceding section to or to trustees for any such body of persons as is mentioned in the said subsection (3) or on any conveyance or transfer made under subsection (2) of this section to any such person nominated by the Treasury as is mentioned in the said subsection (2).

PART VII.

STAMP DUTY.

Exemption from stamp duty of documents connected with nationalisation schemes.

52. Where, by any Act passed after the beginning of the present Session which embodies any scheme for the carrying on of any industry or part of an industry, or of any undertaking, under national ownership or control, provision is made for the transfer of any property, as part of the initial putting into force of the scheme, to the Crown or to a body corporate constituted for the purposes of that scheme or any previous scheme for such national ownership or control as aforesaid—

(*a*) in considering whether any and if so what duty is payable under section twelve of the Finance Act, 1895 (which

58 & 59 Vict. c. 16.

requires Acts to be stamped as conveyances on sale in certain cases) the consideration for the transfer shall be left out of account;

(*b*) section eight of the Finance Act, 1899 (which imposes stamp duty where loan capital is issued) shall not apply in relation to so much of any loan capital of any such body corporate as aforesaid as is issued as, or as part of, or to raise any money required to be paid as or as part of, the consideration for the transfer; 62 & 63 Vict. c. 9.

(*c*) stamp duty shall not be payable on any conveyance, agreement or assignment made or instrument executed solely for the purpose of giving effect to the transfer.

Stamp duty on trust instruments under unit trust schemes. 54 & 55 Vict. c. 39.

53.—(1) Stamp duty shall be chargeable under the heading "Settlement" on the trust instrument of a unit trust scheme whatever the nature of the trust property, as if, in the heading "Settlement" in the First Schedule to the Stamp Act, 1891, for the words "whereby any definite and certain principal sum of money (whether charged or chargeable on lands or other hereditaments or heritable subjects, or not, or to be laid out in the purchase of lands or other hereditaments or heritable subjects or not) or any definite and certain amount of stock, or any security, is settled or agreed to be settled in any manner whatsoever" there were substituted the words "whereby any property whatsoever is settled or agreed to be settled in any manner whatsoever".

(2) Upon every occasion after the execution of the trust instrument of a unit trust scheme on which any property becomes trust property represented by units under the scheme, the trustees shall, not later than one month after the property so becomes trust property, furnish to the Commissioners a statement of the property, and produce therewith to the Commissioners the trust instrument duly stamped with ad valorem duty or additional ad valorem duty as if it were a new and separate instrument whereby that property was made trust property, bearing date on the day on which the property was made trust property:

Provided that this subsection shall not apply where the property is, or results from the investment of, proceeds of the sale, exchange or redemption of, or is bonus capital distributed in respect of, other trust property represented by units under the scheme.

(3) If the trustees under a unit trust scheme fail to comply with the requirements of the last preceding subsection, the duty with interest thereon at the rate of five per cent. per annum from the date when the property in question is made trust property shall be a debt due to His Majesty from the trustees.

PART VII. —*cont.*

Units under unit trust schemes to be treated as stock.

54.—(1) Any reference in the enactments relating to stamp duty to stock shall be deemed to include a reference to a unit under a unit trust scheme, and any reference in any such enactment to a stock certificate to bearer shall be deemed to include a reference to a certificate to bearer in relation to a unit under a unit trust scheme and, subject to the provisions of this Part of this Act, the said enactments shall have effect accordingly.

(2) Any reference in the enactments relating to stamp duty to the nominal amount or nominal value of stock shall, in relation to units under a unit trust scheme, be construed as a reference to the value of the units in question computed as if each unit were worth, and worth only, the price at which similar units are first or were first obtainable under the scheme from the trustees or managers thereof.

(3) Nothing in this Part of this Act shall render any duty exceeding ten shillings payable in respect of an instrument of transfer whereby the managers transfer any unit under a unit trust scheme if their power to transfer the unit arises from the transfer to them of that or some other unit within the immediately preceding two months.

(4) Where a unit under a unit trust scheme is transferred to the managers by an instrument of transfer duly stamped and, before the expiration of two months from the date of the transfer the managers and trustees jointly certify—

(*a*) that the certificate, if any, in respect of the unit has been cancelled; and

(*b*) that, as a consequence of the transfer, a proportionate part of the trust property has been realised, and the trust property diminished accordingly; and

(*c*) that the unit is extinguished and that the managers have no power to transfer any other unit in lieu thereof,

the Commissioners shall, on the application of the person by or on behalf of whom the duty was paid and on production to them of the instrument of transfer and of the joint certificate of the managers and trustees, refund the duty.

(5) In section one hundred and fifteen of, and the First Part of the Second Schedule to, the Stamp Act, 1891 (which relate to composition for stamp duty in respect of stock) the references to a county council or corporation or company and to stock thereof shall, in relation to a unit trust scheme, have effect as if they were respectively references to the trustees or managers under the scheme and to units under the scheme, so, however, that any reference to the stock existing on any date shall, in relation to a unit trust scheme, be construed as including a reference to any units which could at that date be created without any corresponding addition being made to the trust property.

(6) For the purposes of sections seventy-seven to seventy-nine of the Finance (1909–10) Act, 1910 (which relate to contract notes in respect of the sale or purchase of any stock or marketable security), the managers under a unit trust scheme shall, in relation to units under that scheme, be treated as a person who by way of business deals, or holds himself out as dealing, as a principal in stock :

Provided that the expression "contract note" shall not include—

(*a*) a note sent by the managers to a vendor or purchaser of units where that vendor or purchaser is acting as a broker or agent for a principal and is himself either a member of a stock exchange in the United Kingdom or a stockbroker registered as such in the list kept by the Commissioners under subsection (3) of section seventy-seven of the said Act ; or

(*b*) a note sent by the managers notifying the sale of units where the sale is to be implemented by a document which, under the provisions of this Part of this Act, is not to be treated as effecting a transfer.

Special provisions as to certificates to bearer under unit trust schemes

55.—(1) For the purposes of sections four and five of the Finance Act, 1899 (which relate, inter alia, to stock certificates to bearer issued by companies), a unit under a unit trust scheme not governed by the law of any part of the United Kingdom shall be treated as if it were stock of a company formed out of the United Kingdom, and a certificate to bearer in respect of a unit under a unit trust scheme governed by the law of any part of the United Kingdom shall be treated as an instrument to bearer issued by or on behalf of a company formed in the United Kingdom

(2) Where a certificate to bearer in respect of a unit under a unit trust scheme governed by the law of any part of the United Kingdom which has been issued before the passing of this Act is after the passing of this Act assigned, transferred or in any manner negotiated in Great Britain, there shall be charged thereon the like stamp duty as would be charged thereon if it had been issued after the passing of this Act, and every person who, in Great Britain, assigns, transfers or in any manner negotiates, or is concerned as broker or agent in assigning, transferring, or in any manner negotiating, any instrument which is chargeable with duty under this subsection, and is not duly stamped, or any unit under a unit trust scheme by means of such an instrument, shall incur a fine of twenty pounds and the amount of the duty shall be a debt due from him to His Majesty.

(3) Where stamp duty has been paid on a certificate to bearer in respect of a unit under a unit trust scheme in accordance with the provisions of the last preceding subsection on the occasion of a transfer or assignment to the managers and, before

PART VII. —*cont.*

the expiration of two months from the date of the transfer or assignment, the managers and trustees jointly certify—

(*a*) that, as a consequence of the transfer or assignment, a proportionate part of the trust property has been realised, and the trust property diminished accordingly; and

(*b*) that the unit is extinguished, and that the managers have no power to transfer any other unit in lieu thereof,

the Commissioners shall, on the application of the person by or on behalf of whom the duty was paid, and on production to them of the certificate to bearer duly cancelled, of the joint certificate of the managers and trustees, and of such evidence as they may require that the certificate to bearer has not been assigned, transferred or in any manner negotiated in Great Britain between the date of the passing of this Act and the date of the transfer or assignment to the managers, refund the duty.

(4) For the purposes of this section, the delivery of any instrument used for the purpose of assigning, transferring, or in any manner negotiating the right to any unit, shall, if, by the usage of any market on which there are dealings in such units, it is treated as sufficient for the purpose of a sale of such a unit on the market, be deemed to be an assignment, transfer, or negotiation, whether it constitutes a legal assignment, transfer, or negotiation or not.

Supplemental provisions.

56.—(1) In section sixteen of the Stamp Act, 1891 (which requires public officers to permit inspection of documents by persons authorised by the Commissioners) the expression " public officer " shall, as respects rolls, books, records, papers, documents or proceedings relating to a unit trust scheme, be deemed to include the trustees and the managers under that scheme, any agent of the said trustees or the said managers, and any officer of or servant of the said trustees or the said managers or of any such agent.

(2) In subsection (1) of section one hundred and nine of the said Act (which relates to the cancellation of stock certificates to bearer in certain cases) the reference to the register of the local authority shall, in relation to units under a unit trust scheme, be construed as a reference to any register kept under the scheme.

(3) The Commissioners may, for the purpose of securing the stamp duties payable by virtue of this Part of this Act, by regulations require the trustees and the managers under unit trust schemes to keep such records of units thereunder, of the persons entitled to units thereunder, of transfers of units thereunder, and of the issue of certificates to bearer in respect of units thereunder, as may be specified in the regulations in

relation to the trustees and the managers respectively, and if the trustees or managers under any such scheme fail to comply with any requirement of any such regulations, they shall incur a fine of ten pounds in respect of each matter which ought to have been but was not recorded.

(4) Notwithstanding anything in the trust instrument of a unit trust scheme, it shall not be lawful for the trustees or managers under the scheme to register a transfer of units thereunder unless an instrument of transfer has been delivered to them:

Provided that nothing in this subsection shall prejudice any power of the trustees or managers to register as entitled to a unit any person to whom the right to that unit has been transmitted by operation of law.

Interpretation of Part VII.

57.—(1) In this Part of this Act, except in so far as the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them, that is to say:—

"the enactments relating to stamp duty" means the Stamp Act, 1891, and any enactment which amends or is required to be construed together with that Act;

"unit trust scheme" means any arrangements made for the purpose, or having the effect, of providing, for persons having funds available for investment, facilities for the participation by them, as beneficiaries under a trust, in any profits or income arising from the acquisition holding, management or disposal of any property whatsoever;

"trust instrument" means, in relation to a unit trust scheme, the trust deed or other instrument (whether under seal or not) creating or recording the trusts by virtue of which persons are to participate as aforesaid;

"trust property" means, in relation to a unit trust scheme, the property subject to the trusts of the trust instrument;

"trust property represented by units" means, in relation to a unit trust scheme, all trust property except, where the trust instrument provides for periodical distributions, any such dividends, interest or other property arising from trust property as is required under the instrument to be distributed at the next such distribution;

"unit" means, in relation to a unit trust scheme, a right or interest (whether described as a unit, as a sub-unit, or otherwise) of a beneficiary under the trust instrument;

"certificate to bearer" means, in relation to a unit under a unit trust scheme, a document by the delivery of which the unit can be transferred or the delivery of which, by the usage of any market on which there are dealings in such units, is treated as sufficient for the purpose of a sale of such a unit on the market.

PART VII. —*cont.*

(2) Where a person authorises or requires the trustees or managers under a unit trust scheme to treat him as no longer interested in a unit under the scheme and authorises or requires them to treat another person as entitled to that unit, he shall be deemed for the purposes of this Part of this Act to transfer that unit, and any instrument whereby he gives the authority or makes the requirement shall be deemed for the purposes of the enactments relating to stamp duty to be a conveyance or transfer on sale, a conveyance or transfer operating as a voluntary disposition inter vivos within the meaning of section seventy-four of the Finance (1909–10) Act, 1910, or a conveyance or transfer falling within the heading " Conveyance or Transfer of any kind not hereinbefore described " in the First Schedule to the Stamp Act, 1891, according to the nature of the transaction as between him and the person whom he authorises the trustees or managers to treat as entitled to the unit.

(3) Where a person authorises or requires the trustees or managers under a unit trust scheme to treat him as no longer interested in a unit under that scheme and does not authorise or require them to treat another person as entitled to that unit, he shall be deemed for the purposes of this Part of this Act to transfer that unit to the managers, and any instrument whereby he gives the authority or makes the requirement shall be deemed for the purposes of the enactments relating to stamp duty to be a conveyance or transfer of the unit on sale.

(4) Where the managers under a unit trust scheme authorise or require the trustees under the scheme to treat a person as entitled to a unit thereunder and their power so to do arises from a previous transfer to them of that unit or some other unit, they shall be deemed for the purposes of this Part of this Act to transfer the first mentioned unit to that person, and any instrument whereby they give the authority or make the requirement shall be deemed for the purposes of the enactments relating to stamp duty to be a conveyance or transfer of the unit :

Provided that this subsection does not apply to anything done by the managers for the purpose merely of recognising or giving effect to a transmission of a unit by operation of law.

PART VIII.

MISCELLANEOUS

Exceptional depreciation

58. The date to be determined by Parliament for the purposes of section nineteen of the Finance Act, 1941, of paragraph 3 of Part I of the Seventh Schedule to the Finance (No. 2) Act, 1939, and of that paragraph as applied to the national defence contribution by subsection (2) of section forty-three of the Finance Act, 1941 (being the enactments which provide for the making of an exceptional depreciation allowance in respect

of income tax, excess profits tax and the national defence contribution) shall be the thirty-first day of December, nineteen hundred and forty-six.

PART VIII. —*cont.*

Exchange of securities in connection with conversion operations, nationalisation, etc.

59.—(1) If—

(*a*) any securities to which a person who is carrying on a trade which consists wholly or partly in dealing in securities is beneficially entitled are exchanged for other securities; and

(*b*) the exchange is one to which this section applies,

then (whether or not any additional consideration is given for the exchange) that person shall, unless he gives notice in writing to the surveyor not later than the end of the year of assessment next following the year of assessment in which the exchange takes place, that he desires not to be so treated, be treated for income tax purposes (except as regards any income tax payable in respect of dividends or interest), both at the time of the exchange and thereafter, as if the exchange had not taken place, and in that case the produce of any subsequent realisation of any of the securities received by him under the exchange (together with any additional consideration or the appropriate part of any additional consideration received by him thereunder) shall be treated as the produce of the realisation of the corresponding securities surrendered by or transferred from him under the exchange, or of a corresponding part thereof, as the case may be.

(2) The exchanges to which this section applies are—

(*a*) any exchange effected under any arrangement which is being carried out under section two of the National Loans Act, 1939, if the Treasury direct, in pursuance of that arrangement, that this section shall apply to exchanges thereunder;

(*b*) any exchange of securities effected by section one of the Bank of England Act, 1946; and

9 & 10 Geo. 6. c. 27.

(*c*) any exchange of securities effected in pursuance of any enactment passed after the fifth day of April, nineteen hundred and forty-six, which provides for the compulsory acquisition of any securities and the issue of other securities in lieu thereof, if the Treasury direct that this section shall apply to exchanges of securities effected in pursuance of that enactment.

(3) Where a person who is carrying on a trade or business which consists wholly or partly in dealing in securities does not give such a notice to the surveyor as is provided for by subsection (1) of this section and is accordingly treated for income tax purposes in relation to the exchange in the manner specified in the said subsection (1), he shall be treated in the same manner

PART VIII. —*cont.*

in computing profits for the purposes of excess profits tax or the national defence contribution and the said subsection (1) shall, with the necessary adaptations, have effect accordingly, and in computing capital for the purposes of excess profits tax, he shall be treated as if the securities received by him under the exchange had been acquired by him by purchase at a price equal to the amount of capital (computed in accordance with the enactments relating to excess profits tax) represented, at the time of the exchange, by the securities surrendered by him or transferred from him under the exchange, less the amount or value of any other consideration received by him thereunder.

(4) In this section, the expression "securities" includes shares, stock, bonds, debentures and debenture stock.

Other provisions as to issues of securities in connection with nationalisation, etc.

60.—(1) Where—

(*a*) in pursuance of any enactment passed after the fifth day of April, nineteen hundred and forty-six, any securities are issued to any body corporate as, or as part of, the consideration for the compulsory acquisition of any property under that enactment; and

(*b*) that body corporate is wound up or the capital thereof is reduced or any bonds, debentures or debenture stock thereof are redeemed, and, in or in connection with the winding up, reduction of capital or redemption, all or any of the securities issued as aforesaid to the body corporate are distributed to holders of securities of the body corporate; and

(*c*) the Treasury direct that this section shall apply in relation to the distribution,

any person who is carrying on a trade which consists wholly or partly in dealing in securities and is beneficially entitled to any securities to the holders of which the distribution is made, shall, in relation to that distribution, be treated for income tax purposes in the manner specified in the following provisions of this section, unless he gives notice in writing to the surveyor not later than the end of the year of assessment next following the year of assessment in which the distribution takes place that he desires not to be so treated in relation to that distribution.

(2) If the result of the winding up, reduction of capital or redemption of bonds, debentures or debenture stock is that the securities of the body corporate to which the person in question is entitled as aforesaid are wholly extinguished without his receiving anything in respect thereof except the securities distributed as aforesaid, he shall be treated for income tax purposes (except as regards any income tax payable in respect of dividends or interest), both then and thereafter, as if neither the extinction nor the distribution had taken place but as if the produce of any subsequent realisation of any of the distributed securities

were the produce of the realisation of the extinguished securities or a corresponding part thereof, as the case may be.

(3) In any other case—

(*a*) the said person shall be treated as having acquired the distributed securities at a cost equal to such proportion of the cost to him of the securities in respect of which the distribution was made as may be specified in the direction of the Treasury referred to in subsection (1) of this section and the question whether he has made any and if so what profit or suffered any and if so what loss on any subsequent realisation of the distributed securities shall be determined accordingly; and

(*b*) in considering whether he has, either as the result of the winding up, reduction of capital, or redemption of bonds, debentures or debenture stock and the distribution of the securities, or on any subsequent realisation of any of the securities in respect of which the distribution was made, made any and if so what profit, or suffered any and if so what loss, in connection with the securities in respect of which the distribution was made, the distributed securities shall be left out of account and the cost to him of the securities in respect of which the distribution was made shall be deemed to be reduced by the amount of the cost at which under paragraph (*a*) of this subsection he is taken to have acquired the distributed securities.

(4) Where a person who is carrying on a trade or business which consists wholly or partly in dealing in securities does not give such a notice to the surveyor as is provided for by subsection (1) of this section and is accordingly treated for income tax purposes in the manner specified in subsection (2) or subsection (3) of this section, he shall be treated in the same manner in computing profits for the purposes of the national defence contribution and the said subsections (2) and (3) shall, with the necessary adaptations, have effect accordingly.

(5) In this section, the expression "securities" includes shares, stocks, bonds, debentures and debenture stock.

Receipts by joint authorities to meet deficits.

61.—(1) Any sums received, whether before or after the passing of this Act, by a joint authority to which this section applies from their constituent authorities, being sums which, by the terms of any enactment or of any order confirmed by or made under any enactment, the joint authority are authorised to require from their constituent authorities to meet or towards meeting the amount or estimated amount by which the net revenue of the joint authority for any period falls short or may fall short of their expenditure for that period, shall not be, and shall be deemed never to have been, trading receipts for any of the purposes of the Income Tax Acts.

PART VIII. —*cont.*

(2) Nothing in this section shall render a joint authority liable to pay a greater amount of tax (including excess profits tax) than they would have paid apart from the provisions of this section.

(3) This section applies to any joint authority constituted under any enactment which is authorised to require from, and only from, those of its constituent authorities which are local authorities any such sums as are mentioned in subsection (1) of this section.

(4) In this section,—

(*a*) the expression "constituent authority," in relation to a joint authority, means any body corporate which is a member of, or a representative of which is a member of, the joint authority or which appoints a member of the joint authority; and

(*b*) the expression "local authority" means the council of a county, county borough, metropolitan borough, county district or rural parish or the Common Council of the City of London or, in relation to Scotland, the council of a county, town or district, and includes any joint authority constituted under any enactment the constituent authorities of which are all local authorities.

Abolition of land tax assessors and income tax assessors, etc.

62.—(1) The office of assessor for the purposes of income tax, and the office of assessor for the purposes of land tax, shall cease to exist and the functions of the assessor under the Income Tax Acts and the enactments relating to land tax shall be exercised, as may be necessary, by the surveyor or the collector, according as the Commissioners of Inland Revenue may direct:

Provided that this subsection shall not come into operation in relation to assessors for public departments until the sixth day of April, nineteen hundred and forty-seven.

(2) The Treasury are hereby authorised to grant, subject to and in accordance with such conditions as they may prescribe, out of moneys provided by Parliament, annual allowances by way of compensation to any persons employed as assessors immediately before the passing of this Act whose appointments are terminated by subsection (1) of this section.

(3) The Pensions Commutation Acts, 1871 to 1882, shall apply to any person to whom a compensation allowance is awarded in pursuance of subsection (2) of this section as if he had retired from a public civil office in consequence of the abolition of his office.

(4) The division, that is to say, the area of jurisdiction of a body of General Commissioners, shall, as respects assessments made after the passing of this Act, be substituted for the parish

as the unit of area for which assessments to income tax are to be made. PART VIII. —*cont.*

(5) Sections ninety to ninety-five, and ninety-seven, of the Income Tax Act, 1918, (which relate to areas for the purpose of the administration of the Income Tax Acts) shall cease to have effect but the divisions existing in Great Britain at the passing of this Act shall continue unless and until varied under section ninety-six of that Act, and the said section ninety-six (which provides for the variation of divisions in Scotland at the request of the General Commissioners concerned) shall apply to lands in England as it applies to lands and heritages in Scotland.

Exchange Equalisation Account. 22 & 23 Geo. 5. c. 25.

63.—(1) The purposes for which the Exchange Equalisation Account may be used shall include the conservation or disposition in the national interest of the means of making payments abroad, and Part IV of the Finance Act, 1932, shall have effect accordingly, and, in particular, the reference in subsection (3) of section twenty-four of that Act to the checking of undue fluctuations in the exchange value of sterling shall be deemed to include a reference to the securing of any such purpose as aforesaid.

2 & 3 Geo. 6. c. 64.

(2) Subsection (1) of section one of the Currency (Defence) Act, 1939, is hereby repealed.

Provisions as to permanent annual charge for the National Debt.

64.—(1) The permanent annual charge for the National Debt for the financial year ending with the thirty-first day of March, nineteen hundred and forty-seven, shall be the sum of four hundred and ninety million pounds instead of the sum of three hundred and fifty-five million pounds.

18 & 19 Geo. 5. c. 17.

(2) The Treasury may at any time, if they think fit, raise money in any manner in which they are authorised to raise money under the National Loans Act, 1939, for providing any sums required during the said financial year for the purposes mentioned in paragraph (*a*) or paragraph (*b*) of subsection (4) of section twenty-three of the Finance Act, 1928, and the amount required by the said subsection (4) to be issued from the permanent annual charge for the National Debt for the purposes aforesaid in that year shall be decreased by the amount raised under this subsection.

(3) Any securities created and issued to raise money under the last preceding subsection shall be deemed for all purposes to have been created and issued under the National Loans Act, 1939.

Amendment as to deficit for 1945–46. 20 & 21 Geo. 5. c. 28.

65. No issue shall be made out of the Consolidated Fund under section forty-eight of the Finance Act, 1930 (which provides in the case of a deficit in any year for the redemption in the next year of a corresponding amount of debt), in respect of the deficit for the financial year ending with the thirty-first day of March, nineteen hundred and forty-six.

PART VIII. —*cont.*

Mode of repayment of principal moneys in the case of certain government stock. 11 & 12 Geo. 5. c. 42.

66. Subject to any provision set out in any prospectus relating to the issue of the stock in question, all principal moneys becoming payable after the passing of this Act on the redemption of any government stock within the meaning of the Third Schedule to the Finance Act, 1921, shall, in the case of stock registered in a part of the Post Office Register kept by a trustee savings bank, be payable at that bank or by a cheque sent by post, and accordingly the following paragraph shall, as respects moneys becoming payable after the passing of this Act, be substituted for paragraph 1 of the said Third Schedule—

"1. Subject to any express provision to the contrary and subject as hereinafter provided, all principal moneys which become payable on the redemption of any government stock shall be payable, in the case of government stock registered in a part of the Post Office Register kept by a trustee savings bank, at that bank, in the case of stock otherwise registered in the Post Office Register, at the General Post Office, and in the case of stock entered in a register kept by the Bank in accordance with regulations made under section forty-seven of the Finance Act, 1942, at the Bank:

Provided that if in the case of any such principal moneys the stockholder makes to the trustees of the savings bank, to the Postmaster-General or to the Bank, as the case may be, a request in writing in the approved form that payment thereof may be made by cheque or warrant sent by post, and gives an address to which the letter containing the cheque or warrant is to be sent, payment thereof may be made by a cheque signed by the trustees of the savings bank, or a warrant of the Postmaster-General or the Bank, as the case may be, sent by post, and in that case the posting of the letter containing the cheque or warrant to the address so given shall, as regards the liability of the trustees, the Postmaster-General or the Bank, be equivalent to the delivery of the cheque or warrant to the stockholder."

Short title, construction extent and repeals.

67.—(1) This Act may be cited as the Finance Act, 1946.

(2) Part I of this Act—

(*a*) so far as it relates to duties of customs, shall be construed as one with the Customs Consolidation Act, 1876, except that the expression "the United Kingdom" does not include the Isle of Man and nothing in the said Part I shall be construed as extending to the Isle of Man; and

(*b*) so far as it relates to duties of excise, shall be construed as one with the Acts which relate to the duties of excise and to the management of those duties,

and in the said Part I the expression "the Commissioners" means "the Commissioners of Customs and Excise". PART VIII. —*cont.*

(3) Part II of this Act shall be construed as one with Part V of the Finance (No. 2) Act, 1940.

(4) Part III of this Act and so much of Part VIII thereof as relates to income tax shall be construed as one with the Income Tax Acts.

(5) Part IV of this Act and so much of Part VIII thereof as relates to excess profits tax shall be construed as one with Part III of the Finance (No. 2) Act, 1939.

(6) Part V of this Act shall be construed as one with Part I of the Finance Act, 1894. 57 & 58 Vict. c. 30.

(7) Part VII of this Act shall be construed as one with the Stamp Act, 1891.

(8) Any reference in this Act to any other enactment shall, except so far as the context otherwise requires, be construed as a reference to that enactment as amended by or under any other enactment, including this Act.

(9) Save as otherwise expressly provided, such of the provisions of this Act as relate to matters with respect to which the Parliament of Northern Ireland has power to make laws shall not extend to Northern Ireland.

(10) The enactments specified in Part I of the Twelfth Schedule to this Act are hereby repealed to the extent mentioned in the third column of that Part of that Schedule:

Provided that so much of any of those enactments as relates to assessors for the purposes of income tax shall not come into operation in relation to assessors for public departments before the sixth day of April, nineteen hundred and forty-seven.

(11) The enactments specified in Parts II and III of the Twelfth Schedule to this Act are hereby repealed to the extent mentioned in the third column of those Parts of that Schedule—

(*a*) in the case of the enactments specified in Part II of that Schedule, as respects the year 1947–48 and subsequent years of assessment; and

(*b*) in the case of the enactments specified in Part III of that Schedule, as respects persons dying on or after the tenth day of April, nineteen hundred and forty-six.

SCHEDULES.

Section 12

FIRST SCHEDULE.

PROVISIONS AS TO JUSTICES' LICENCES IN SUSPENSE BY REASON OF COMPULSORY ACQUISITION.

Transfer of licences in suspense.

1.—(1) If while a licence is in suspense the licensing justices for the district in which the premises in respect of which the licence was granted are situated are satisfied that any person other than a holder thereof has an interest in the licence, or that a holder thereof has no interest therein, they shall on the application of any person appearing to them to have such an interest by order transfer the licence to the person or persons appearing to the justices to have such an interest.

(2) The provisions of the foregoing sub-paragraph shall have effect in addition to, and not in substitution for, the provisions as to transfer of licences of the Licensing Act.

Restoration to full force of licences in suspense.

2.—(1) The provisions of the Licensing Act and the Licensing Planning (Temporary Provisions) Act, 1945, as to the removal of licences shall apply in relation to a licence in suspense notwithstanding the compulsory acquisition of the premises in respect of which the licence was granted or anything done thereon after the acquisition; and references in the Licensing Act to the premises in respect of which a licence was granted or from which a licence is to be removed shall be construed accordingly.

(2) On the authorisation of the removal of a licence in suspense the licence shall come into force for all purposes.

3.—(1) Where a licence is in suspense and it is proposed to recommence on the same site the business formerly carried on in the premises in respect of which the licence was granted, the holder of the licence may, subject to the provisions of this paragraph, give notice in writing to that effect to the clerk of the licensing justices for the district in which the premises are situated, and on the giving of such a notice the licence shall come into force for all purposes.

(2) Before a notice is given under this paragraph, application must have been made to the licensing justices for their approval of the fitness of the holder of the licence to be the holder thereof when the licence comes into force for all purposes, and the justices must have granted the application.

1ST SCH. —*cont.*

(3) Before a notice is given under this paragraph in the case of an on-licence, plans of any works reasonably necessary to secure the proper conduct of the business must have been submitted to the licensing justices and approved by them, and the licensing justices must have signified their satisfaction that the works have been executed in accordance with the plans approved.

4.—(1) A licence in force for all purposes after being in suspense, not being a licence granted for a term, shall, unless previously forfeited or becoming void under the Licensing Act, remain in force until the fifth day of April next following the first annual general licensing meeting after the time when it ceased to be in suspense.

(2) A licence granted for a term which is in force for all purposes after being in suspense shall, unless previously forfeited or becoming void as aforesaid, remain in force until the fifth day of April next following the expiration of a period, beginning on the last day of the term, equal to the period of suspension:

Provided that where a re-grant of the licence is made before the said fifth day of April and application is made to the confirming authority for confirmation thereof in the same year, this sub-paragraph shall have effect as if for the reference to the said fifth day of April there were substituted a reference to the date on which confirmation of the re-grant is granted or refused.

(3) In the last foregoing sub-paragraph the reference to the period of suspension of a licence shall be construed, in relation to a licence in suspense under the principal section after being in suspense under section ten of the Finance Act, 1942, as a reference to the aggregate of the periods during which it was in suspense under those sections respectively.

Extinguishment of licences in suspense.

5. Where the licensing justices for any district are satisfied as respects any licence granted for premises in that district which is for the time being in suspense—

(*a*) that removal of the licence as mentioned in paragraph (*b*) of subsection (2) of the principal section would no longer be prevented as mentioned in that paragraph, or

(*b*) where it is proposed to recommence the business in question on the same site, that it would be reasonably practicable to carry out any such works as are mentioned in sub-paragraph (3) of paragraph 3 of this Schedule,

they may by order direct that the licence shall be extinguished at the expiration of such period as may be specified in the order unless under the foregoing provisions of this Schedule it is again in force for all purposes before the expiration of that period.

6. Where the premises in respect of which a licence in suspense was granted are in a licensing planning area, proposals of the licensing planning committee made with the agreement thereto of the holder

1ST SCH. —*cont.*

of the licence may provide for the extinguishment of the licence, and on the confirmation of proposals so providing the licence shall be extinguished.

7.—(1) Where the licensing justices for any district are of opinion, in the case of an old on-licence granted in respect of premises in their district which is in suspense at the time of any general annual licensing meeting, that if the licence had then been in force for all purposes and an application for the renewal thereof had been made at that meeting, the question of the renewal thereof would have required consideration on grounds other than those on which the renewal of an old on-licence can be refused by them, they shall refer to the compensation authority the question of the extinguishment of the licence together with their report thereon.

(2) The compensation authority shall consider any report so made to them with respect to any licence, and may, if they think it expedient, after giving the holder of the licence and, unless it appears to the compensation authority unnecessary, any other persons appearing to them to be interested (including the licensing justices), an opportunity of being heard, extinguish the licence, subject to payment of the like compensation as would have been payable under the Licensing Act if an application for the renewal of the licence had been made and refused by the compensation authority.

(3) This paragraph shall not apply in relation to a licence granted in respect of premises in a licensing planning area.

(4) Sections twenty, twenty-one and forty-seven of the Licensing Act shall have effect with the requisite modifications in relation to the extinguishment of old on-licences under this paragraph as they have effect in relation to the refusal of renewal of such licences by the compensation authority.

8.—(1) If a discontinuance of business by virtue of which a licence becomes a licence in suspense occurs, or has occurred, between the date of a general annual licensing meeting and the fifth day of April next following, and—

(*a*) in proceedings taken in relation to any objection to the renewal of the licence made at that meeting on grounds relating to the conduct of the holder of the licence or to his fitness to be the holder thereof, or

(*b*) in proceedings taken in relation to any reference to the compensation authority of the question of the renewal of the licence at that meeting,

the renewal of the licence is or has been refused, the licence shall be, or be deemed to have been, extinguished, and where the renewal is refused in such proceedings as are mentioned in head (*b*) of this sub-paragraph, sub-paragraph (4) of the last foregoing paragraph shall apply as if the licence had been extinguished under that paragraph.

(2) A licence subsisting by virtue of a provisional renewal pending a reference to the compensation authority and becoming a licence in suspense shall be, or be deemed to have been, extinguished upon a refusal of the renewal by the compensation authority.

9. If His Majesty by Order in Council declares that the removal of licences as mentioned in paragraph (*b*) of subsection (2) of the principal section is in general no longer prevented as mentioned in that paragraph, every licence in suspense at the date of the Order in Council shall be extinguished at the expiration of such period as may be specified therein unless under the foregoing provisions of this Schedule it is again in force for all purposes before the expiration of that period.

10. The licensing justices may, if application is made to them in that behalf, extend the period specified in an order made by them under paragraph 5 of this Schedule, or, in relation to any particular licence, the period specified in an Order in Council made under the last preceding paragraph.

Supplementary Provisions.

11. The provisions of sections twenty-nine to thirty-two of the Licensing Act as to appeal against a refusal of licensing justices to grant a renewal of a licence shall have effect with the requisite modifications in relation to a refusal of licensing justices under paragraph 3 of this Schedule to approve the fitness of the holder of a licence, to approve plans or to signify their satisfaction as to works having been executed, in relation to an order under paragraph 5 of this Schedule, and in relation to a refusal of licensing justices to grant an application under the last foregoing paragraph.

12. Any power exercisable by licensing justices under paragraph 3, 5 or 10 of this Schedule may be exercised at a general annual licensing meeting or at any transfer sessions.

13. Paragraph 15 of Part I of the Sixth Schedule to the Finance Act, 1942 (which makes provision for the practice under that Schedule) shall apply for the purposes of this Schedule as it applies for the purposes of that Schedule.

14.—(1) In this Schedule the following expressions have the meanings hereby respectively assigned to them, that is to say—

" licence " means a justices' licence;

" licensing planning area " means an area which is for the time being a licensing planning area for the purposes of the Licensing Planning (Temporary Provisions) Act, 1945, and " licensing planning committee " shall be construed accordingly;

" the Licensing Act " means the Licensing (Consolidation) Act, 1910.

(2) Expressions in this Schedule which are used in the Licensing Act have the same meanings in this Schedule as in that Act.

(3) References in this Schedule to a licence in suspense shall, except where the context otherwise requires, be construed as references to a licence in suspense by virtue of the principal section.

Section 14

SECOND SCHEDULE.

RATES OF EXCISE DUTY ON CERTAIN MECHANICALLY PROPELLED GOODS VEHICLES CHARGEABLE UNDER THE SECOND SCHEDULE TO THE FINANCE ACT, 1920.

Weight unladen of vehicle.		Rate.	
1 Exceeding.	2 Not exceeding.	3 Initial.	4 Additional for each ¼ ton or part of a ¼ ton in excess of the weight in column 1
Rates chargeable under sub-paragraph (a) of paragraph 5 (Farmers' Vehicles).			
12 cwt. 16 cwt.	16 cwt 1 ton	£10 10s. £11 0s	— —
Rates chargeable under sub-paragraph (b) of paragraph 5 (Showmen's Special Vehicles)			
12 cwt. 16 cwt.	16 cwt 1 ton	£11 0s £12 0s	— —
Rates chargeable under sub-paragraph (c) (i) of paragraph 5 (Other Goods Vehicles electrically propelled)			
12 cwt. 16 cwt	16 cwt 1 ton	£12 10s £15 0s	— —
Rates chargeable under sub-paragraph (c) (ii) of paragraph 5 (Other Goods Vehicles propelled by steam or using gas as fuel).			
12 cwt. 16 cwt.	16 cwt 1 ton	£12 10s. £15 0s	— —
Rates chargeable under sub-paragraph (c) (iii) of paragraph 5 (Other Goods Vehicles to which the foregoing Rates do not apply).			
12 cwt. 16 cwt.	16 cwt 1 ton	£12 10s. £15 0s.	— —
Rates chargeable on Local Authorities' Watering Vehicles not Electrically Propelled			
12 cwt. 16 cwt.	16 cwt. 1 ton	£12 10s. £15 0s.	— —

THIRD SCHEDULE.

Section 15.

PURCHASE TAX.

EXEMPTIONS AND REDUCTIONS OF RATES.

PART I.

CLASSES OF GOODS BECOMING EXEMPT ON 10TH APRIL, 1946.

Upholstered mattresses with interior springs to which the mark shown in the Third Schedule to the Apparel and Textiles Order, 1942, is applied in a manner consistent with any requirements as to the manner of application thereof imposed by or under that Order or the Limitation of Supplies (Cloth and Apparel) Order, 1941, and having effect in relation to such goods.

The following articles of a kind used in the preparation or serving of food or drink :—

1. Articles of china, porcelain, earthenware, stoneware or other pottery ware.
2. Glassware, not being cut glass.
3. Hollow-ware of iron or steel (whether enamelled or not), aluminium, magnesium, copper or brass.
4. Articles of celluloid, bakelite or other plastic material derived from cellulose, casein, papier mache or synthetic resin.

Cupboards, dressers, draining boards and similar articles designed for use in kitchens.

Electric kettles and other cooking utensils incorporating heating elements (but not including goldsmiths' and silversmiths' wares).

Thermal insulation covers designed for domestic water systems.

Portable lamps of the following descriptions :—

1. Hand lamps designed for operation from electric mains.
2. Head, side and tail lamps designed for use on railways.
3. Signal gantry lamps.

Accessories for domestic stoves, grates, ranges and fireplaces, of the following descriptions :—

1. Firebricks and similar articles designed for use as fuel economisers.
2. Trivets and similar articles.

Epidiascopes.

Sensitised document base paper, transparent tracing paper base and tracing cloth.

3RD SCH. —*cont.*

Clocks designed for use as public clocks with dials not less than two feet in diameter or with dials having a diagonal measurement of two feet six inches or more.

Typewriters, dictaphones, calculating machines and other office machinery. Cash registers.

CLASSES OF GOODS BECOMING EXEMPT ON 22ND JULY, 1946.

Wigs.

Glass chimneys and similar primary glasses, being chimneys and glasses designed for oil or candle lamps.

Fireguards.

Smoothing irons and pressing irons, being irons of a kind used for domestic purposes.

Acetylene cap lamps and acetylene hand lamps

Electric dry batteries of not more than 6 volts.

Clasp knives (but not including razors or goldsmiths' and silversmiths' wares).

Vermin traps.

Projectors for slides (including projectors for film-strips but not including epidiascopes nor cinematograph projectors).

Lenses, and other parts of, and accessories to, projectors for slides.

Vessels primarily designed for propulsion otherwise than by the occupants themselves and parts of, and accessories to, such vessels.

Cinematograph films, film strips and lantern slides, being films, film-strips and slides containing pictures for exhibition by means of a projector.

PART II.

CLASSES OF GOODS BECOMING CHARGEABLE AT REDUCED RATE ON 10TH APRIL, 1946.

Vacuum flasks and vacuum jars, being flasks and jars of a kind used for domestic purposes (but not including goldsmiths' and silversmiths' wares).

Lawn mowers and garden rollers

CLASS OF GOODS BECOMING CHARGEABLE AT REDUCED RATE ON 22ND JULY, 1946.

Wallpaper.

PART III.

CLASSES OF GOODS BECOMING CHARGEABLE AT BASIC RATE ON 10TH APRIL, 1946.

Walking sticks and canes, being sticks and canes which, except for the ferrules, are wholly of wood.

Hair waving and hair drying machines.

Garden furniture (but not including garden ornaments).

Trunks, bags, wallets, jewel cases, pouches, purses, suitcases and similar receptacles, being articles of leather, hide or skin, designed for use solely for the purposes of any trade, profession, employment or vocation and unsuitable for use for other purposes.

Photographic cameras.

Photographic enlargers.

Projectors for sub-standard film or for slides.

Lenses and other parts of, and accessories to, such cameras, enlargers or projectors as are mentioned in this Part of this Schedule.

Unexposed sensitised photographic paper, cloth, plates and film.

Musical instruments, including gramophones, player pianos and other similar instruments and accessories to, and parts of, musical instruments.

Gramophone records. Player piano records.

Radio gramophones.

CLASSES OF GOODS BECOMING CHARGEABLE AT BASIC RATE ON 22ND JULY, 1946.

The following articles not being made partly of fur skin (including any skin with fur, hair or wool attached),—

1. Garments or footwear made wholly or partly of silk (except silk used for stitching of seams and buttonholes) ;

2. Headgear, ties, scarves, handkerchiefs, muffs, collars, cuffs and gloves made wholly or partly of silk (except silk used for the stitching of seams and buttonholes).

Fabrics (whether in the piece, shaped or partly made up) made wholly or partly of silk (but not including pile fabrics or woven-figured fabrics).

Textile articles of a kind used for domestic purposes and soft furnishings, made wholly or partly of fabrics becoming chargeable at the basic rate as aforesaid.

PART IV.

CONSEQUENTIAL AMENDMENTS OF SEVENTH SCHEDULE TO FINANCE (NO. 2) ACT, 1940.

AMENDMENTS OF FIRST COLUMN.

In the entry relating to articles of china, porcelain, earthenware, stoneware or other pottery ware, the words " second or " shall be deleted.

In the entry relating to glassware, the words " except as specified in the second column " shall be deleted.

The entry relating to vacuum flasks and vacuum jars shall be deleted.

In the entry relating to lawn mowers and garden rollers, garden furniture and garden ornaments, the words " Lawn mowers and garden rollers " shall be deleted.

In the entry relating to projectors for substandard films or for slides the words " or for slides," shall be deleted.

3RD SCH. —*cont.*

The entry relating to typewriters, dictaphones, calculating machines and other office machinery and cash registers shall be deleted.

In the entry relating to paper manufactures the word " wallpaper " shall be deleted.

AMENDMENTS OF SECOND COLUMN.

The entry relating to articles of china, porcelain, earthenware, stoneware or other pottery ware shall be deleted.

The entry relating to glassware shall be deleted.

Opposite the entry in the first column relating to glassware there shall be inserted the following entry :—

" Vacuum flasks and vacuum jars being flasks and jars of a kind used for domestic purposes (but not including goldsmiths' and silversmiths' wares)."

Opposite the entry relating to articles of hardware and ironmongery there shall be inserted the following entry :—

" Lawn mowers and garden rollers."

The entry relating to household goods of celluloid, bakelite or other plastic material shall be deleted.

Opposite the entry relating to paper manufactures there shall be inserted the following entry :—

" Wallpaper."

AMENDMENTS OF THIRD COLUMN.

Opposite the entry relating to headgear and immediately after the entry relating to protective helmets there shall be inserted the following entry :—

" Wigs."

In the entry relating to textile articles of a kind used for domestic purposes, soft furnishings and bedding, the words " (other than upholstered mattresses with interior springs) " shall be deleted.

Opposite the entry relating to articles of china, porcelain, earthenware, stoneware or other pottery ware and after the entry relating to sanitary ware there shall be inserted the following entry :—

" Articles of china, porcelain, earthenware, stoneware or other pottery ware of a kind used in the preparation or serving of food or drink."

Opposite the entry relating to glassware there shall be inserted the following entry :—

" Glassware of a kind used in the preparation or serving of food or drink not being cut glass."

Opposite the entry relating to furniture and immediately before the entry relating to picture frames there shall be inserted the following entry :—

" Cupboards, dressers, draining boards and similar articles designed for use in kitchens."

3RD SCH. —*cont.*

Opposite the entry relating to lamp chimneys and other illuminating glassware and immediately before the entry relating to domestic cooking and heating appliances there shall be inserted the following entry :—

" Glass chimneys and similar primary glasses being chimneys and glasses designed for oil or candle lamps."

Opposite the entry relating to domestic cooking and heating appliances and immediately before the entry relating to domestic refrigerators there shall be inserted the following entries :—

" Accessories for domestic stoves, grates, ranges and fireplaces of the following descriptions :—

Firebricks and similar articles designed for use as fuel economisers.

Trivets and similar articles.

Fireguards.

Thermal insulation covers designed for domestic water systems.

Electric kettles and other cooking utensils incorporating heating elements (but not including goldsmiths' and silversmiths' wares).

Smoothing irons and pressing irons, being irons of a kind used for domestic purposes."

Opposite the entry relating to portable lamps and hand torches and after the entry relating to hurricane lamps and other lamps there shall be inserted the following entries :—

" Hand lamps designed for operation from electric mains.

Head, side and tail lamps designed for use on railways.

Signal gantry lamps.

Acetylene cap lamps and acetylene hand lamps."

Opposite the entry relating to electric dry batteries and immediately before the entry relating to batteries designed for deaf aid appliances there shall be inserted the following entry :—

" Electric dry batteries of not more than 6 volts."

Opposite the entry relating to cutlery suitable for domestic or personal use and immediately before the entry relating to appliances specially designed for persons not having the full use of their arms there shall be inserted the following entry :—

" Clasp knives (but not including razors or goldsmiths' and silversmiths' wares)."

Opposite the entry relating to articles of ironmongery and hardware there shall be inserted the following entries :—

" Hollow-ware of iron or steel (whether enamelled or not), aluminium, magnesium, copper or brass, being articles of a kind used in the preparation or serving of food or drink.

Vermin traps."

3RD SCH. —*cont.*

Opposite the entry relating to projectors for sub-standard film or for slides there shall be inserted the following entry :—

" Projectors for slides (including projectors for film-strips but not including cinematograph projectors).

Lenses and other parts of, and accessories to, projectors exempted as aforesaid."

Opposite the entry relating to unexposed sensitised photographic paper, etc., and after the entry relating to X-ray plates, film and paper and other articles there shall be inserted the following entry :—

" Sensitised document base paper, transparent tracing paper base and tracing cloth."

Opposite the entry relating to clocks and watches and other articles there shall be inserted the following entry :—

" Clocks designed for use as public clocks with dials not less than two feet in diameter or with dials having a diagonal measurement of two feet six inches or more."

Opposite the entry relating to appliances, apparatus, accessories and requisites for sports, games, gymnastics or athletics there shall be inserted the following entry :—

" Vessels primarily designed for propulsion otherwise than by the occupants themselves, and parts of, and accessories to, such vessels."

Opposite the entry relating to fancy or household goods made wholly or partly of celluloid, bakelite or other plastic material there shall be inserted the following entry :—

" Articles of celluloid, bakelite or other plastic material derived from cellulose, casein, papier mache or synthetic resin being articles of a kind used in the preparation or serving of food or drink."

Opposite the entry relating to pictures, prints, engravings, photographs and other articles there shall be inserted the following entry :—

" Cinematograph films, film-strips and lantern slides, being films, film-strips and slides containing pictures for exhibition by means of a projector."

PART V.

CONSEQUENTIAL AMENDMENTS OF SEVENTH SCHEDULE TO FINANCE ACT, 1942.

In the entry relating to garments or footwear the words " or silk (except silk used for the stitching of seams and buttonholes) " shall be deleted.

In the entry relating to headgear, ties, scarves, handkerchiefs, muffs, collars, cuffs and gloves the words " or silk (except silk used for the stitching of seams and buttonholes) " shall be deleted.

3RD SCH. —*cont.*

For the entry relating to walking sticks and canes there shall be substituted the following entry :—

" Walking sticks and canes other than walking sticks and canes which, except for the ferrules, are wholly of wood."

In the entry relating to fabrics the words " Fabrics made wholly or partly of silk," shall be deleted.

The entry relating to hair waving and hair drying machines shall be deleted.

In the entry relating to garden furniture and garden ornaments the words " Garden furniture " shall be deleted.

At the end of the entry relating to trunks, bags, wallets, jewel cases, pouches, purses, suit cases and similar receptacles there shall be added the following words " and not including articles designed for use solely for the purposes of any trade, profession, employment or vocation and unsuitable for use for other purposes."

The entries relating to the following articles shall be deleted :—

photographic cameras ;

photographic enlargers ;

projectors ;

lenses and other parts of, and accessories to, cameras, enlargers and projectors ;

unexposed sensitised photographic paper, cloth, plates and film ;

musical instruments, including gramophones, player pianos and other similar instruments and accessories to, and parts of, musical instruments ;

gramophone records and player-piano records ;

radio gramophones.

FOURTH SCHEDULE.

Section 16.

PURCHASE TAX.

CHARGEABLE PROCESSES : RELEVANT CLASSES OF GOODS.

1. Apparel and rugs made wholly or partly of fur skin other than of rabbit (including any skin with fur, hair or wool attached).
2. Fur skins other than of rabbit (including any skin with fur, hair or wool attached), dressed.
3. Jewellery, imitation jewellery and other goldsmiths' and silversmiths' wares.
4. Road vehicles and cycles (whether mechanically propelled or not).

Section 17.

FIFTH SCHEDULE.

MODIFICATION OF ENACTMENTS RELATING TO PURCHASE TAX.

1. For subsection (3) of section twenty of the Finance (No. 2) Act, 1940 (as amended by Part I of the Second Schedule to the Finance Act, 1944), there shall be substituted the following subsection:—

"(3) An order under this section shall specify a date for its coming into operation, and such an order shall—

(*a*) for the purpose of determining whether tax is chargeable by virtue of a purchase of goods of the class to which the order relates and if so at what rate, have effect, subject as provided in subsection (4) of this section, in respect of goods of that class delivered under the purchase on or after the specified date, notwithstanding that the purchase was made before that date; and

(*b*) for the purpose of determining whether tax is chargeable by virtue of the application of a chargeable process resulting in goods of the class to which the order relates and if so at what rate, have effect, subject as provided in subsection (4) of this section, in respect of goods of that class resulting from the application of a chargeable process completed on or after the specified date, notwithstanding that the process was applied in pursuance of a contract made before that date."

2. At the end of section twenty-seven of the said Act there shall be inserted the following subsection:—

"(2) Where in pursuance of a contract made in the United Kingdom, a party to the contract applies a chargeable process to the order of another party thereto, he shall add to any invoice or similar document delivered by him to the said other party a statement indicating the amount due from the said other party to him by reference to the tax for which he may be accountable in respect of the application of the process."

3. For subsection (1) of section twenty-nine of the said Act the following subsection shall be substituted:—

"(1) Where goods bought under a chargeable purchase, or goods appropriated or applied as mentioned in section twenty-five of this Act, or goods resulting from a chargeable process, are shown to the satisfaction of the Commissioners to have been exported from the United Kingdom by the seller under the purchase, or by a person by whom the goods were so appropriated or applied, or by the person who, apart from this subsection, would be accountable for the tax chargeable by reason of the application of the process, as the case may be, the tax which apart from this provision would be chargeable in respect of the goods shall not be chargeable."

5TH SCH. —*cont.*

4. In subsections (1) and (2) of section thirty-one of the said Act after the words " by virtue of a purchase " there shall be inserted the words " or of the application of a chargeable process."

5. In subsection (1) of section forty of the said Act, the references to purchases shall be construed as including references to the application of a chargeable process and the references to a chargeable purchase shall be construed as including references to the application of a chargeable process in such circumstances that tax becomes payable in respect thereof.

6. In subsection (4) of section eleven of the Finance Act, 1944, at the end of paragraph (*a*) there shall be inserted the words :—

> " or had resulted from the application of a chargeable process in such circumstances that tax became chargeable on the completion of the process."

and in paragraph (*b*) after the words " or importation " there shall be inserted the words " or resulting from the application of that process."

SIXTH SCHEDULE.

Section 30.

WOMEN'S SERVICES.

1. Member of Queen Alexandra's Royal Naval Nursing Service or any reserve thereof.

2. Member of the Women's Royal Naval Service.

3. Woman medical or dental practitioner serving in the Royal Navy or any naval reserve.

4. Member of Queen Alexandra's Imperial Military Nursing Service or any reserve thereof.

5. Member of the Territorial Army Nursing Service or any reserve thereof

6. Member of the Auxiliary Territorial Service.

7. Woman employed with the Royal Army Medical Corps or the Army Dental Corps with relative rank as an officer.

8. Member of Princess Mary's Royal Air Force Nursing Service or any reserve thereof.

9. Member of the Women's Auxiliary Air Force.

10. Woman employed with the Medical Branch of the Dental Branch of the Royal Air Force with relative rank as an officer.

11. Member of the Voluntary Aid Detachments employed under the Admiralty, Army Council or Air Council.

Section 36.

SEVENTH SCHEDULE.

AMENDMENTS CONSEQUENTIAL ON TERMINATION OF EXCESS PROFITS TAX

1. The following paragraph shall be substituted for paragraph (*e*) of section twenty-two of the Finance (No. 2) Act, 1939—

"(*e*) the expression 'chargeable accounting period' means, in relation to excess profits tax—

(*a*) any accounting period beginning on or after the first day of April, nineteen hundred and thirty-nine and ending on or before the thirty-first day of December, nineteen hundred and forty-six; and

(*b*) so much of any accounting period beginning before the said first day of April as falls on or after that date; and

(*c*) so much of any accounting period ending after the said thirty-first day of December as falls on or before that date."

2. The following subsection shall be substituted for subsection (4) of section nineteen of the Finance (No. 2) Act, 1939—

"(4) The chargeable accounting periods to which this section applies are the periods which are chargeable accounting periods in relation to excess profits tax."

3. The following sub-paragraph shall be substituted for sub-paragraph (*b*) of paragraph 7 of the Sixth Schedule to the Finance Act, 1940—

"(*b*) in applying the provisions of paragraphs 1 to 3 of this Schedule to the case of an assessment to the national defence contribution for a period part of which falls before, and part of which falls after, the end of the year nineteen hundred and forty-six, there shall be deemed to be added to the amount of excess profits tax which would have been assessable or payable, as the case may be, for the part of the period before the end of that year an amount equal to so much of the national defence contribution for the whole period as is apportionable to the part thereof falling after the end of that year."

EIGHTH SCHEDULE.

Section 38

COMPUTATION OF LOSSES ON SALES OF STOCK.

1. For the purposes of the provisions of Part IV of this Act relating to relief for losses on sales of stock, there shall be deemed to be a claimable loss sustained in a trade or business on sales of stock effected during the sales period if and only if the total original cost or value, as defined in paragraph 2 of this Schedule, of the trading stock held for the purposes of the trade or business on the thirty-first day of December, nineteen hundred and forty-six, exceeds the total sum realised as defined in paragraph 3 of this Schedule, and the amount of the claimable loss shall be an amount equal to the difference:

Provided that where a sale of stock which is taken into account under the said paragraph 3 is also taken into account in computing the profits or loss for any accounting period falling partly before and partly after the end of the year nineteen hundred and forty-six, the amount of the claimable loss shall be calculated as if the total original cost or value were decreased or increased, as the case may be, by so much of any loss or profit on the sale as, by virtue of any apportionment under the proviso to subsection (1) of section fourteen of the Finance (No. 2) Act, 1939, affects the profits or loss for the part of the period falling before the end of the said year.

2.—(1) There shall be ascertained—

(*a*) the aggregate cost of all the trading stock held for the purposes of the trade or business on the thirty-first day of December, nineteen hundred and forty-six; and

(*b*) the aggregate price which that stock would have fetched if sold in the open market on that day:

Provided that any stock in a damaged condition on that day the cost of which exceeds the price which it would have fetched if sold in the open market on that day shall, in both cases, be left out of account.

(2) There shall then be ascertained the aggregate price which all the stock mentioned in the proviso to sub-paragraph (1) of this paragraph would have fetched if sold as therein mentioned.

(3) The lower of the two sums ascertained under sub-paragraph (1) of this paragraph plus the amount, if any, ascertained under sub-paragraph (2) of this paragraph is the amount referred to in paragraph 1 of this Schedule as the total original cost or value of the trading stock held for the purposes of the trade or business on the thirty-first day of December, nineteen hundred and forty-six.

3.—(1) There shall be ascertained in relation to all the trading stock of each particular class held for the purposes of the trade or business on the thirty-first day of December, nineteen hundred and forty-six, the sum realised by sales of trading stock of that class during the sales period:

8TH SCH. —*cont.*

Provided that—

(*a*) where any stock is sold at a price lower than that which it would have fetched if sold in the open market, it shall be treated for the purposes of this sub-paragraph as if it had been sold at the price which it would have fetched if so sold;

(*b*) where more stock of any particular class is sold in the sales period than was held for the purposes of the trade or business on the thirty-first day of December, nineteen hundred and forty-six, the earliest sales of stock of that class in the sales period shall be taken into account until the quantity of stock of that class sold during the sales period which is taken into account is equal to the quantity of stock of that class so held on the said thirty-first day of December;

(*c*) where less stock of any particular class is sold during the sales period than was held for the purposes of the trade or business on the said thirty-first day of December, this paragraph shall have effect as if, on the last day of the sales period, a quantity of stock of that class equal in quantity to the difference had been sold at the price which it would have fetched if it had been sold in the open market on the said day;

(*d*) sales of stock which has suffered damage since the said thirty-first day of December, and stock held for the purposes of the trade or business on the last day of the sales period which has suffered damage since the said thirty-first day of December shall be left out of account, and proviso (*b*) and proviso (*c*) to this sub-paragraph shall have effect accordingly.

(2) References in this paragraph to trading stock of a particular class include all stock of that class in whatever stage of manufacture; but the stock of any particular class held for the purposes of the trade or business on the said thirty-first day of December which was then in a damaged condition shall be treated as stock of a separate class, and references in this paragraph to trading stock of a particular class shall be construed accordingly.

(3) Where the stock of a particular class held on the last day of the sales period is not all at the same stage of manufacture, and the case is one to which proviso (*c*) to sub-paragraph (1) of this paragraph applies, the stock which is to be treated under that proviso as sold on the last day of the sales period shall be the stock held on that day which is at the most advanced stage of manufacture.

(4) Where the stock of any particular class sold or treated as sold which is taken into account for the purposes of this paragraph is not, as respects the stage of manufacture which it had reached when sold or treated as sold, identical with the stock of that class held for the purposes of the trade or business on the said thirty-first day of December—

(*a*) there shall be ascertained or estimated, in relation to each sale of stock made or treated as made which is taken into account as aforesaid, the cost to the person carrying on the

trade or business of bringing the corresponding stock held for the purposes of the trade or business on the said thirty-first day of December to the same stage of manufacture as the stock sold or treated as sold;

(*b*) the amounts so ascertained or estimated shall be aggregated; and

(*c*) the sum realised or treated as realised by sales of stock of that class during the sales period, as ascertained under sub-paragraph (1) of this paragraph, shall be reduced so as to bear to the full amount thereof the same proportion that the original cost or value of the stock of that class bears to the said original cost or value increased by the aggregate amount arrived at under paragraph (*b*) of this sub-paragraph.

In this sub-paragraph, the expression "the original cost or value" means, in relation to stock of any class, the cost of the stock of that class held for the purposes of the trade or business on the said thirty-first day of December or the price which the stock of that class so held would have fetched if sold in the open market on that day, according as the amount ascertained under paragraph (*a*) of sub-paragraph (1) of paragraph 2 of this Schedule is lower than, or higher than, the amount ascertained under paragraph (*b*) of that sub-paragraph:

Provided that where the class of stock in question is stock which was in a damaged condition on the said thirty-first day of December, the original cost or value thereof shall be computed as aforesaid leaving out of account any of the stock the cost of which exceeds the price which it would have fetched if sold in the open market on the said day and the said price shall then be added to the original cost or value so computed as aforesaid and the total shall be taken to be the original cost or value of the stock of the class in question within the meaning of this sub-paragraph.

The reference in paragraph (*a*) of this sub-paragraph to the stock which corresponds to any stock sold or treated as sold during the sales period shall, in relation to the first sale, be construed as a reference to the same quantity of the stock held on the said thirty-first day of December, stock in the most advanced stage of manufacture being selected, and so on in relation to sales subsequently made or treated as made in the sales period.

(5) The aggregate of the amounts ascertained under sub-paragraph (1) of this paragraph, reduced, if need be, in accordance with sub-paragraph (4) of this paragraph, is the amount referred to in paragraph 1 of this Schedule as the total sum realised.

Section 39.

NINTH SCHEDULE.

SUPPLEMENTARY PROVISIONS AS TO CLAIMS FOR RELIEF FOR TERMINAL EXPENSES AND LOSSES ON SALES OF STOCK.

1. Any claim for relief in respect of terminal expenses or losses on sales of stock shall be made in writing to the Commissioners.

2. Any surveyor appointed for the purposes of the Income Tax Acts may by notice in writing require any person making a claim for relief in respect of terminal expenses or losses on sales of stock in relation to any trade or business to deliver to him a return in such form as the Commissioners may prescribe containing such particulars as the Commissioners may require—

(*a*) in the case of a claim in respect of terminal expenses, in respect of those expenses;

(*b*) in the case of a claim in respect of losses on sales of stock, with respect to the trading stock held for the purposes of the trade or business at any material date, including particulars with respect to the cost or the sale price of the stock, or the price which it would have fetched if sold in the open market on any such date, and with respect to any other matters relevant to the claim.

3. Every return furnished in pursuance of the last preceding paragraph shall, if the Commissioners so require, be certified as correct by some person who is a member of an incorporated society of accountants, and shall be verified by production of such evidence and in such other manner as the Commissioners may direct.

4. Pending the determination by the Commissioners of any claim for relief in respect of terminal expenses or losses on sales of stock, the Commissioners may make assessments and collect excess profits tax for any chargeable accounting period without reference to the claim and the relief necessary to give effect to the determination of any such claim shall be given by repayment unless it can be set off against excess profits tax for any chargeable accounting period which has been assessed on the person making the claim and remains unpaid.

5. Any person making a claim for relief in respect of terminal expenses who is dissatisfied with any determination of the Commissioners as to whether he is entitled to any and if so what relief may appeal to the Board of Referees.

6. The provisions of Part II of the Fifth Schedule to the Finance Act, 1937 (which, as applied by the Finance (No. 2) Act, 1939, relates to appeals against assessments to excess profits tax), including the provisions thereof enabling the Commissioners to make regulations, shall, with the necessary modifications, apply in relation to and determination by the Commissioners of any claim to relief in respect of losses on sales of stock.

TENTH SCHEDULE.

Section 46.

PART I.

GENERAL SCALE OF RATES OF ESTATE DUTY.

Principal Value of Estate.								*Rate per cent. of Duty.*
	£				£			
	Not exceeding				2,000	...	...	Nil
Exceeding	2,000	and not exceeding			3,000	...	...	1
,,	3,000	,,	,,	,,	5,000	...	...	2
,,	5,000	,,	,,	,,	7,500	...	...	3
,,	7,500	,,	,,	,,	10,000	...	...	4
,,	10,000	,,	,,	,,	12,500	...	...	6
,,	12,500	,,	,,	,,	15,000	...	...	8
,,	15,000	,,	,,	,,	20,000	...	...	10
,,	20,000	,,	,,	,,	25,000	...	...	12
,,	25,000	,,	,,	,,	30,000	...	...	14
,,	30,000	,,	,,	,,	35,000	...	...	16
,,	35,000	,,	,,	,,	40,000	...	...	18
,,	40,000	,,	,,	,,	45,000	...	...	20
,,	45,000	,,	,,	,,	50,000	...	...	22
,,	50,000	,,	,,	,,	60,000	...	...	24
,,	60,000	,,	,,	,,	75,000	...	...	27
,,	75,000	,,	,,	,,	100,000	...	...	30
,,	100,000	,,	,,	,,	150,000	...	...	35
,,	150,000	,,	,,	,,	200,000	...	...	40
,,	200,000	,,	,,	,,	250,000	...	...	45
,,	250,000	,,	,,	,,	300,000	...	...	50
,,	300,000	,,	,,	,,	500,000	...	...	55
,,	500,000	,,	,,	,,	750,000	...	...	60
,,	750,000	,,	,,	,,	1,000,000	...	...	65
,,	1,000,000	,,	,,	,,	2,000,000	...	...	70
,,	2,000,000	...	...	...	...	...	...	75

PART II.

ENTRIES TO BE SUBSTITUTED FOR CERTAIN ENTRIES IN THE SCALE OF RATES APPLICABLE TO THE AGRICULTURAL VALUE OF AGRICULTURAL PROPERTY.

	£				£			
	Does not exceed				2,000	...	...	Nil
Exceeds	2,000	and does not exceed			3,000	...	...	1
,,	3,000	,,	,,	,,	5,000	...	...	2
,,	5,000	,,	,,	,,	7,500	...	...	3
,,	7,500	,,	,,	,,	10,000	...	...	4

10TH SCH. —*cont.*

PART III.

CONSEQUENTIAL AMENDMENTS.

44 & 45 Vict. c. 12.

1. In subsection (1) of section thirty-three of the Customs and Inland Revenue Act, 1881, the words "and also, in case the estate and effects shall exceed the value of one hundred pounds, the further sum of thirty shillings for stamp duty" shall cease to have effect; subsection (5) of that section shall cease to have effect; and subsection (2) of section thirty-four of that Act, and sections thirty-five and thirty-six of that Act, shall cease to have effect.

2. In subsection (1) of section sixteen of the Finance Act, 1894, for the words "sections thirty-three, thirty-five and thirty-six" there shall be substituted the words "section thirty-three", for the words "is payable on the death of the deceased" there shall be substituted the words "would, if estate duty were payable in respect of estates however small the principal value thereof, be payable on the death of the deceased" and the words "and where the gross value does not exceed three hundred pounds the fixed duty shall be thirty shillings, and where the gross value exceeds three hundred pounds and does not exceed five hundred pounds the fixed duty shall be fifty shillings" shall cease to have effect.

3. For subsection (3) of the said section sixteen the following subsection shall be substituted:—

> "(3) Where the net value of the property, real and personal, in respect of which estate duty would, if estate duty were payable in respect of estates however small the principal value thereof, be payable on the death of the deceased, exclusive of property settled otherwise than by the will of the deceased, does not exceed one thousand pounds, such property, for the purpose of estate duty, shall not be aggregated with any other property, but shall form an estate by itself and the legacy and succession duties shall not be payable under the will or intestacy of the deceased in respect of that estate."

4. Subsection (5) of the said section sixteen shall cease to have effect.

3 Edw. 7. c. 46.

5. Section fourteen of the Revenue Act, 1903, shall cease to have effect.

6. In subsection (2) of section sixty-one of the Finance (1909–10) Act, 1910, for the words "it is claimed that a fixed duty is payable in respect of any property under subsection (1) of section sixteen of the principal Act as being property of a gross value not exceeding three hundred pounds or five hundred pounds, as the case may be," there shall be substituted the words "it is claimed for the purposes of subsection (1) of section sixteen of the principal Act that the gross value of any property does not exceed five hundred pounds."

4 & 5 Geo. 5. c. 10.

7. In subsection (2) of section thirteen of the Finance Act, 1914, for the words "estate duty is payable on the death of the deceased" there shall be substituted the words "estate duty would be payable on the death of the deceased if estate duty were payable in respect of estates however small the principal value thereof".

ELEVENTH SCHEDULE.

Section 47.

AMENDMENTS AS TO GIFTS INTER VIVOS, ETC.

PART I.

AMENDMENTS.

1. In subsection (1) of section fifty-nine of the Finance (1909-10) Act, 1910, for the words "three years" there shall be substituted, in both places where those words occur, the words "five years"

2. In subsection (2) of section thirty-one of the Finance Act, 1939, for the words "three years" there shall be substituted the words "five years". 2 & 3 Geo. 6. c. 41.

3. In subsection (2) of section forty-three of the Finance Act, 1940, for the words "three years" there shall be substituted the words "five years".

4. In subsection (1) of section forty-six of the Finance Act, 1940, for the words "three years" there shall be substituted the words "five years" and for subsection (2) of that section (as amended by section thirty-five of the Finance Act, 1944) there shall be substituted the following subsection:—

"(2) The extent to which the assets of the company are to be deemed to be included as aforesaid shall be the proportion ascertained by comparing the aggregate amount of the benefits accruing to the deceased from the company in the last five accounting years with the aggregate amount of the net income of the company for the said years:

Provided that—

(*a*) where, in any of the said accounting years, the company sustained a loss, the amount of that loss shall be deducted in ascertaining the said aggregate net income of the company;

(*b*) where the company came into existence in the last but three, or in the last but two, or in the last but one, or in the last, of the said accounting years, the references in this subsection to the said accounting years shall be construed as references to the last four, the last three, the last two or the last, of those years, as the case may be."

5. In subsection (1) of section forty-seven of the Finance Act, 1940, for the words "three years", in both places where those words occur, there shall be substituted the words "five years".

6. In subsection (3) of section forty-eight of the Finance Act, 1940, for the words "three years" in both places where those words occur there shall be substituted the words "five years".

11TH SCH. —*cont.*

7. In subsection (1) of section fifty-five and paragraph (*a*) of subsection (1) of section fifty-eight of the Finance Act, 1940, and in the Seventh Schedule to that Act, for the words "three years", wherever those words occur, there shall be substituted the words "five years".

8. Section thirty-five of the Finance Act, 1944, shall cease to have effect.

PART II.

TRANSITIONAL PROVISIONS.

1. In the case of persons dying on or after the tenth day of April, nineteen hundred and forty-six, but before the tenth day of April, nineteen hundred and forty-eight, the following enactments amended by Part I of this Schedule, that is to say—

(*a*) subsection (1) of section fifty-nine of the Finance (1909–10) Act, 1910;

(*b*) subsection (2) of section thirty-one of the Finance Act, 1939;

(*c*) subsection (2) of section forty-three of the Finance Act, 1940;

(*d*) subsection (3) of section forty-eight of the Finance Act, 1940; and

(*e*) subsection (1) of section fifty-five of the Finance Act, 1940, paragraph (*a*) of subsection (1) of section fifty-eight of that Act, and, for the purpose of determining whether the conditions set out in paragraph (*b*) of subsection (1) of the said section fifty-five are satisfied in relation to a company, subsection (1) of section forty-seven of and paragraph 2 of the Seventh Schedule to that Act,

shall, as so amended, have effect as if the references therein to the five years before or ending with the death of the deceased were references to the said five years less so much thereof as fell before the tenth day of April, nineteen hundred and forty-three.

2.—(1) No part of the assets of any company shall be deemed by virtue of subsection (1) of section forty-six of the Finance Act, 1940, to be included in the property passing on the death of any person dying on or after the tenth day of April, nineteen hundred and forty-six, but before the tenth day of April, nineteen hundred and forty-eight, unless benefits accruing to the deceased from the company accrued to him on or after the tenth day of April, nineteen hundred and forty-three.

(2) The provisions of the Finance Act, 1940, as to what are to be treated as benefits accruing to the deceased from the company and as to when a benefit is treated as having accrued therefrom shall, as amended by this Schedule, apply for the purposes of this paragraph as they apply for the purposes of the said section forty-six, subject to the modification that the references in section forty-seven of that Act, and paragraph 2 of the Seventh Schedule to that Act, to the five years ending with the death of the deceased shall be treated as references to the said five years less so much thereof as fell before the tenth day of April, nineteen hundred and forty-three.

TWELFTH SCHEDULE.

Section 67.

REPEALS.

PART I.

MISCELLANEOUS.

Session and Chapter.	Short Title.	Extent of Repeal.
38 Geo. 3 c. 5.	The Land Tax Act, 1797.	In section eight the words from "and for that end and purpose to direct" to "not exceeding the sum of five pounds nor less than forty shillings", the words from "and directed to two at least" to "by this Act imposed, and also therein", the word "said" where it next occurs after those words, and the words from "And if any assessor so appointed or to be appointed" to "together with the said rates and assessments:"; sections forty-four, forty-five and forty-seven.
39 & 40 Vict. c. 36.	The Customs (Consolidation) Act, 1876.	In section forty-two, the words "coffee, chicory or" as from the first day of September, nineteen hundred and forty six.
43 & 44 Vict. c. 19.	The Taxes Management Act, 1880.	Subsection (10) of section one hundred and fourteen.
45 & 46 Vict. c. 41.	The Customs and Inland Revenue Act, 1882	Sections five, six and seven, as from the first day of September, nineteen hundred and forty-six.
8 & 9 Geo. 5. c. 40.	The Income Tax Act, 1918.	In section seventy-two the words "and assessors" and the words "assessors and"; sections seventy-six to seventy-nine; subsection (2) of section eighty-eight; sections ninety to ninety-five; section ninety-seven; in the Fourth Schedule, in Part I the Form of Declaration to be made by Assessors and in Part II the Form of Declaration to be made by an Assessor on his Appointment.
12 & 13 Geo. 5. c. 17	The Finance Act, 1922.	Subsection (3) of section three as from the first day of September, nineteen hundred and forty-six.
14 & 15 Geo. 5. c. 21.	The Finance Act, 1924.	Subsection (3) of section three as from the first day of September, nineteen hundred and forty-six

12TH SCH. —*cont.*

Session and Chapter.	Short Title.	Extent of Repeal.
19 & 20 Geo. 5. c. 27.	The Savings Banks Act, 1929.	Subsection (4) of section twelve.
20 & 21 Geo. 5. c. 28.	The Finance Act, 1930.	Section twenty-nine and in Part I of the First Schedule, in paragraph 1 the words "appoint persons to be assessors of income tax for the year of revaluation, so far as regards income tax chargeable under Schedules A and B, and" and the words "so appointed" and in paragraph 2 the words "after the appointment of assessors under the last preceding paragraph".
21 & 22 Geo. 5. c. 49.	The Finance (No. 2) Act, 1931.	Section ten.
5 & 6 Geo. 6. c. 21.	The Finance Act, 1942.	In the Tenth Schedule, in paragraph 12 of Part I the words "and all assessors" and in paragraph 8 of Part II the words "and all assessors".
9 & 10 Geo. 6. c. 13.	The Finance (No. 2) Act, 1945.	Section thirty and, as from the first day of January, nineteen hundred and forty-seven, in Parts II and III of the Second Schedule, wherever opposite the words and figures "12 cwt." in column 1 there occur the words and figures "1 ton" in column 2, those words and figures in columns 1 and 2 and the figures opposite thereto in column 3.

PART II.

ENACTMENTS REPEALED AS RESPECTS 1947–48 AND SUBSEQUENT YEARS OF ASSESSMENT.

Session and Chapter.	Short Title.	Extent of Repeal.
17 & 18 Geo. 5. c. 10.	The Finance Act, 1927.	In section forty-five, subsections (1), (4), (5), (6) and (9)
25 & 26 Geo. 5. c. 24.	The Finance Act, 1935.	Section twenty-six.
6 & 7 Geo. 6. c. 45.	The Income Tax (Employments) Act, 1943.	In subsection (2) of section one, the words "other than pay, pensions or other emoluments payable in respect of service in or with the armed forces of the Crown."

12TH SCH. —*cont*

Session and Chapter.	Short Title.	Extent of Repeal
7 & 8 Geo. 6. c. 12	The Income Tax (Offices and Employments) Act, 1944	In subsection (1) of section one, the words "other than pay, pensions or other emoluments payable in respect of service in or with the armed forces of the Crown" in both places where those words occur; and subsection (1) of section five.

PART III.

ENACTMENTS REPEALED AS RESPECTS PERSONS DYING ON OR AFTER THE TENTH DAY OF APRIL, 1946.

Session and Chapter.	Short Title.	Extent of Repeal.
44 & 45 Vict. c. 12	The Customs and Inland Revenue Act, 1881	In section thirty-three, in subsection (1), the words "and also, in case the estate and effects shall exceed the value of one hundred pounds, the further sum of thirty shillings for stamp duty", and subsection (5); subsection (2) of section thirty-four, and sections thirty-five and thirty-six
57 & 58 Vict. c. 30	The Finance Act, 1894.	In section sixteen, in subsection (1) the words "and where the gross value does not exceed three hundred pounds the fixed duty shall be thirty shillings, and where the gross value exceeds three hundred pounds and does not exceed five hundred pounds the fixed duty shall be fifty shillings", and subsection (5).
3 Ed. 7. c. 46	The Revenue Act, 1903.	Section fourteen.
7 & 8 Geo. 6. c. 23.	The Finance Act, 1944.	Section thirty-five.

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