

CHAPTER 15

An Act to charge income tax for the year 1955–56 and fix the rates of tax for that year, to fix the rates of surtax for the year 1954–55 and to alter the law as to certain of the personal reliefs. [6th May, 1955]

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 sums hereinafter provided for by way of income tax; and do therefore most humbly beseech Your Majesty that it may be enacted, and be it enacted by the Queen'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:—

Charge of income tax for 1955–56 and surtax rates for 1954–55.

1.—(1) Income tax for the year 1955–56 shall be charged at the standard rate of eight shillings and sixpence in the pound and, in the case of an individual whose total income exceeds two thousand pounds, shall be charged in respect of the excess at rates in the pound which respectively exceed the standard rate by the amounts by which the higher rates for the year 1953–54 exceeded the standard rate for that year:

Provided that the amounts of tax deductible or repayable under section one hundred and fifty-seven (pay-as-you-earn) of the Income Tax Act, 1952, shall, until the sixth day of July, nineteen hundred and fifty-five, be the same as if the standard rate were nine shillings in the pound (any necessary correction being made on or after that day by adjusting subsequent deductions or repayments under that section, or, if need be, by an assessment).

15 & 16 Geo. 6. & 1 Eliz. 2. c. 10.

(2) Income tax for the year 1954–55 shall be charged, in the case of an individual whose total income exceeded two thousand pounds, at the same higher rates in respect of the excess as were charged for the year 1953–54.

Alterations in personal reliefs.

2.—(1) As respects the year 1955–56 and subsequent years of assessment, the Income Tax Acts shall be amended as shown in the following provisions of this section, and the enactments mentioned in the Schedule to this Act shall accordingly be repealed to the extent specified in the third column of that Schedule:

Provided that the amounts of tax deductible or repayable under section one hundred and fifty-seven (pay-as-you-earn) of the Income Tax Act, 1952 (hereafter in this section referred to as " the main Act ") shall, until the sixth day of July, nineteen hundred and fifty-five, be the same as if this section had not been passed (any necessary correction being made on or after that day by adjusting subsequent deductions or repayments under that section, or, if need be, by an assessment).

15 & 16 Geo. 6. & 1 Eliz. 2. c. 33.

(2) In section fifteen of the Finance Act, 1952 (relief for small incomes) references to three hundred pounds shall be substituted in all places for the references to two hundred and fifty pounds (the income limit for the full relief), a reference to four hundred pounds shall be substituted for the reference to three hundred and fifty pounds (the income limit for the marginal relief) and a reference to nine-twentieths shall be substituted for the reference to two-fifths (the fraction governing the marginal relief).

(3) In section two hundred and ten (personal allowances) of the main Act, references to two hundred and forty pounds and to one hundred and forty pounds shall respectively be substituted for the references (as originally enacted) to one hundred and ninety pounds and to one hundred and ten pounds.

(4) In subsection (3) (old age relief) of section two hundred and eleven of the main Act, a reference to three-fifths shall be substituted for the reference to five-eighths (the fraction governing the marginal relief for incomes over six hundred pounds).

(5) In sections two hundred and twelve and two hundred and thirteen (child relief) of the main Act, references to one hundred pounds shall be substituted for the references (as originally enacted) to seventy pounds in subsection (1) of section two hundred and twelve and in subsections (2) and (3) of section two hundred and thirteen; and paragraph (*b*) of subsection (3) of section two hundred and twelve shall be omitted.

(6) In section two hundred and sixteen (dependent relatives) of the main Act, references to one hundred and five pounds and one hundred and sixty-five pounds shall respectively be substituted for the references (as originally enacted) to eighty pounds and to one hundred and thirty pounds (which relate to the income of the dependent relative).

(7) In section two hundred and twenty (reduced rate relief) of the main Act, there shall be substituted for the words from " a further deduction " in subsection (1) to the end of subsection (4A), the following:—

" a further deduction of the amount shown in the following Table (in which " the relevant amount " means an amount equal to one pound for every eight shillings and sixpence of the amount of tax so remaining chargeable, with a proportionate addition for any additional part of eight shillings and sixpence):—

TABLE

Where the relevant amount—	
does not exceed £60	a deduction equal to 6s. 3d. for each pound of the relevant amount.
does exceed £60, but does not exceed £210.	the same deduction as if the relevant amount were £60, plus 3s. 9d. for each pound of the relevant amount in excess of £60.
does exceed £210, but does not exceed £360.	the same deduction as if the relevant amount were £210, plus 1s. 9d. for each pound of the relevant amount in excess of £210.
exceeds £360 ...	the same deduction as if the relevant amount were £360.

Where the relevant amount is not an exact multiple of one pound there shall, for the additional fraction of a pound, be made to the deduction specified in the second column of this Table an addition proportionate to the addition which would be made for a complete pound.

(2) Where the income of an individual includes both earned income of his wife and other income available for relief under subsection (1) of this section the further deduction under the said subsection (1) shall (where necessary) be increased so as to equal the sum of—

(*a*) the deduction which would be made if the relevant amount referred to in the above Table were equal to the amount of the earned income of the wife available for relief under the said subsection (1); and

(*b*) the deduction which would be made if the relevant amount so referred to were equal to the other income available for relief under the said subsection (1)."

Short title, etc.

3.—(1) This Act may be cited as the Finance Act, 1955.

(2) This Act shall be construed as one with the Income Tax Acts.

(3) 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.

Section 2.

SCHEDULE

REPEALS

Session and Chapter	Short Title	Extent of Repeal
15 & 16 Geo. 6 & 1 Eliz. 2. c. 10.	The Income Tax Act, 1952.	In subsection (3) of section two hundred and twelve, the word "and" at the end of paragraph (*a*), the words following it except the concluding paragraph, and in the concluding paragraph the words "and emoluments".
15 & 16 Geo. 6 & 1 Eliz. 2. c. 33.	The Finance Act, 1952.	Section fourteen, except subsections (3) and (5).
1 & 2 Eliz. 2. c. 34.	The Finance Act, 1953.	Subsection (2) of section twelve; in section fourteen, subsection (2) and subsection (3) from the words "and for the reference" onwards.

PRINTED BY JOHN ROUGHTON SIMPSON, C.B.
Controller of Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament
LONDON: PUBLISHED BY HER MAJESTY'S STATIONERY OFFICE
Price 3*d.* net
PRINTED IN GREAT BRITAIN
(38253)