

CHAPTER 9.

An Act to grant certain duties, to alter other duties and to make certain amendments in the law relating to the Public Revenue. [18th December 1947.]

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 :—

Beer. 2 & 3 Geo. 6. c. 109.

1.—(1) Section one of the Finance (No. 2) Act, 1939, (which imposes duties of excise and customs in respect of beer) shall have effect as if Parts I, III and IV of the First Schedule to this Act were respectively substituted for Parts I, III and IV of the First Schedule to that Act.

(2) In the case of beer in respect of which it is shown to the satisfaction of the Commissioners that the increased duty chargeable by virtue of this section has been paid, the provisions of the said section one relating to drawback shall have effect as if Parts II, V and VI of the First Schedule to this Act were respectively substituted for Parts II, V and VI of the First Schedule to the Finance (No. 2) Act, 1939.

(3) This section shall be deemed to have had effect as from the thirteenth day of November, nineteen hundred and forty-seven.

Spirits.
10 & 11 Geo. 5. c. 18.

2.—(1) The duties of customs charged on spirits under subsection (1) of section three of the Finance Act, 1920, in addition to the duties specified in Part II of the First Schedule to that Act, shall be charged at the rates specified in the Second Schedule to this Act; and accordingly the said subsection (1) shall have effect as if the said Schedule to this Act were substituted for Part I of the First Schedule to that Act.

(2) The rate of the duty of excise charged on spirits under subsection (2) of section three of the Finance Act, 1920, in addition to the duties specified in Part III of the First Schedule to that Act, shall be increased to nine pounds ten shillings and ten pence per gallon computed at proof; and accordingly the said subsection (2) shall have effect as if for the words "seven pounds seventeen shillings and sixpence" there were substituted the words "nine pounds ten shillings and ten pence".

(3) This section shall be deemed to have had effect as from the thirteenth day of November, nineteen hundred and forty-seven.

Wines.

3.—(1) Section three of the Finance (No. 2) Act, 1939 (which imposes duties of customs on wines) shall have effect as if Parts I and II of the Third Schedule to this Act were respectively substituted for Parts I and II of the Third Schedule to that Act.

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

Sweets.
17 & 18 Geo. 5. c. 10.
6 & 7 Geo. 6. c. 28.

4.—(1) The duty of excise on sweets charged under section six of the Finance Act, 1927, shall be charged at the rates specified in the Fourth Schedule to this Act, instead of at the rates mentioned in section four of the Finance Act, 1943.

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

Increase of rates of purchase tax.
3 & 4 Geo. 6. c. 48.
10 & 11 Geo. 6 c. 35.

5.—(1) The higher, intermediate, basic and reduced rates of purchase tax shall be respectively five-fourths, three-fourths, one-half and one-third of the wholesale value of the goods and, accordingly, in section nineteen of the Finance (No. 2) Act, 1940 (as amended by subsection (3) of section ten of the Finance Act, 1947), in paragraphs (*a*), (*b*), (*c*) and (*d*) of subsection (2), for the words "one hundred per cent.", "two-thirds", "one-third" and "one-sixth" there shall be respectively substituted the words "five-fourths,", "three-fourths", "one-half" and "one-third":

Provided that this subsection shall not affect mechanically propelled road vehicles, mechanically propelled cycles, or bicycles

or tricycles not mechanically propelled, and, where the tax becomes due on or after the ninth day of December, nineteen hundred and forty-seven, shall not affect—

(*a*) electric dry batteries; or

(*b*) accumulators, being accumulators suitable for use with wireless receiving sets of the domestic or portable type.

(2) This section shall be deemed to have come into operation on the thirteenth day of November, nineteen hundred and forty-seven and shall have effect—

(*a*) in relation to a purchase of goods delivered under the purchase on or after that date notwithstanding that the purchase was made before that date;

(*b*) in relation to the application of a chargeable process completed on or after that date notwithstanding that the process was applied in pursuance of a contract made before that date.

Pool betting duty.

6.—(1) There shall be charged on all bets made by way of pool betting, other than bets made by means of a totalisator set up on an approved horse racecourse by or under the authority of the Racecourse Betting Control Board, a duty of excise, to be known as the pool betting duty, equal to ten per cent. of the amount of the stake money paid.

(2) The pool betting duty shall be paid, in the case of bets made by means of a totalisator, by the operator, that is to say, the person who (as principal) operates the totalisator, and, in the case of other bets, by the promoter.

(3) In paragraph 3 of the First Schedule to the Betting and Lotteries Act, 1934 (which relates to the distribution of the money staked by means of totalisators on dog racecourses), after the words "after deducting or causing to be deducted such percentage not exceeding six per cent. as he may have specified in the said notice" there shall be inserted the words "and after deducting also any sums payable by him by way of the pool betting duty in respect of the bets made on that race or those races". 24 & 25 Geo. 5. c. 58.

(4) The supplemental provisions set out in the Fifth Schedule to this Act shall have effect with respect to the pool betting duty.

(5) Bets shall be deemed for the purposes of this section and the said Fifth Schedule to be made by way of pool betting whenever a number of persons make bets on terms that the winnings of such of those persons as are winners shall be, or be a share of, or be determined by reference to, the stake money paid or agreed to be paid by those persons, whether the bets are made by means of a totalisator, or by filling up and returning coupons or other printed or written forms, or otherwise howsoever.

(6) In this section and the said Fifth Schedule, the following expressions have the meanings hereby respectively assigned to them, that is to say—

"approved horse racecourse" and "totalisator" have the same meanings as in Part I of the Betting and Lotteries Act, 1934;

"bet" does not include the taking of a ticket or chance in any lottery which by virtue of section twenty-three, section twenty-four or section twenty-five of the Betting and Lotteries Act, 1934, is to be deemed not to be an unlawful lottery;

"promoter" means, in relation to any pool betting, the person to whom the persons making the bets look for the payment of their winnings, if any.

(7) This section and the said Fifth Schedule shall apply in relation to all bets, wherever made, where the totalisator, or, as the case may be, the promoter of the betting, is in Great Britain but shall not apply in relation to any other bets:

Provided that this section and the said Fifth Schedule shall not apply in relation to any bet made before the fourth day of January, nineteen hundred and forty-eight.

Increase in profits tax rates.

7.—(1) In subsection (1) of section thirty of the Finance Act, 1947 (which fixes the rate of the profits tax at twelve and a half per cent.), for the words "twelve and a half per cent." in both places where those words occur, there shall be substituted the words "twenty-five per cent."

(2) In the following provisions of the said Act, that is to say—

(*a*) subsections (2) and (3) of section thirty (which grant a relief from profits tax for profits not distributed and impose a charge to profits tax on certain distributions of profits, at a rate, in both cases, of seven and a half per cent.); and

(*b*) subsection (3) of section thirty-six (which contains an incidental reference to the said rate),

for the words "seven and a half per cent.", wherever those words occur, there shall be substituted the words "fifteen per cent."

(3) In section forty-two of the said Act (which limits the amount of the profits tax chargeable on building societies to three per cent. of the amount of the profits, computed as mentioned in that section) for the words "three per cent." there shall be substituted the words "six per cent."

(4) The preceding provisions of this section shall be deemed always to have had effect and any such additional assessments shall be made as are necessary to give effect to this subsection.

Interest on unpaid income-tax, profits tax and excess profits tax.

8.—(1) Subject to the provisions of this section, any tax charged by any assessment to income tax made under Schedule D, or any assessment to surtax, to the profits tax or to excess profits tax, or by virtue of any direction given under section twenty-four of the Finance Act, 1943, which renders any person liable, or any persons jointly and severally liable, to excess profits tax, shall carry interest at the rate of three per cent. per annum from the date when the tax becomes due and payable until payment:

Provided that interest shall not begin to run under this section from any date before the first day of January, nineteen hundred and forty-eight.

(2) Where any tax is paid not later than three months from the date on which it becomes due and payable, the interest thereon under this section shall be remitted.

(3) Interest shall not be payable under this section on the tax charged by any assessment or by virtue of any direction unless—

(*a*) the total tax charged by that assessment or by virtue of that direction exceeds one thousand pounds; and

(*b*) the total amount of the interest exceeds one pound.

(4) Subject to the provisions of this subsection, where relief from tax charged by any such assessment, or by virtue of any such direction, as is referred to in subsection (1) of this section is given to any person by a discharge of any of that tax, such adjustment shall be made of the amount payable under this section in relation to the assessment or direction, and such repayment shall be made of any amounts previously paid under this section in relation thereto, as are necessary to secure that the total sum, if any, paid or payable under this section in relation to the assessment or direction is the same as it would have been if the tax discharged had never been charged.

Where relief from tax paid for any year of assessment or chargeable accounting period is given to any person by repayment, he shall be entitled to require that the amount repaid shall be treated for the purposes of this subsection, so far as it will go, as if it were a discharge of the tax charged on him (whether alone or together with other persons) by or by virtue of any assessment or direction for or relating to the same year or period, so, however, that it shall not be applied to any assessment or direction made or given after the relief was given and that it shall not be applied to more than one assessment or direction so as to reduce, without extinguishing, the amount of tax charged thereby:

Provided that where the relief is from the tax paid for two or more chargeable accounting periods, without distinction between them, every assessment or direction for or relating to any of

those periods shall be treated for the purposes of this subsection as an assessment or direction for or relating to the same period as that for which the tax from which the relief is given was paid.

Notwithstanding anything in the previous provisions of this subsection, no relief, whether given by way of discharge or repayment, shall be treated for the purposes of this subsection as—

(*a*) affecting tax charged by any assessment to surtax or to the profits tax unless it is a relief from surtax or the profits tax, as the case may be; or

(*b*) affecting tax charged by any assessment to, or by virtue of any direction with respect to, excess profits tax unless it is a relief from excess profits tax; or

(*c*) affecting tax charged by any assessment to income tax made under Schedule D if either—

(i) it is a relief from surtax, the profits tax or excess profits tax; or

(ii) it arises in connection with income taxable otherwise than under Schedule D; or

(iii) it relates to a source income from which is taxable otherwise than under Schedule D.

(5) This section extends to assessments and directions notwithstanding that they were made or given before the passing of this Act or were made or given for years of assessment or chargeable accounting periods which have ended before the passing thereof.

(6) The interest payable under this section shall be paid without any deduction of income tax, shall be recoverable as a debt due to the Crown from the person by whom the tax in respect of which interest is charged is payable and shall not be allowed as a deduction in computing any income, profits or losses for any of the purposes of the Income Tax Acts or of the enactments relating to the profits tax.

(7) A certificate of a collector that interest is payable under this section and that payment of the interest has not been made to him, or, to the best of his knowledge and belief, to any other collector, or to any person acting on his behalf or on behalf of another collector, shall be sufficient evidence that the sum mentioned in the certificate is unpaid and is due to the Crown, and any document purporting to be such a certificate as is mentioned in this subsection shall be deemed to be such a certificate unless the contrary is proved.

In this subsection, the expression "collector" means any person authorised by the Commissioners of Inland Revenue to act as a collector of taxes.

Short title, construction, extent and repeal.

9.—(1) This Act may be cited as the Finance (No. 2) Act, 1947.

(2) This Act—

(*a*) so far as it relates to duties of customs, shall be construed as one with the Customs Consolidation Act, 1876 ; 39 & 40 Vict. c. 36.

(*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 ;

(*c*) so far as it relates to purchase tax, shall be construed as one with Part V of the Finance (No. 2) Act, 1940 ;

(*d*) so far as it relates to income tax, the profits tax or excess profits tax, shall be construed as one with the Income Tax Acts, the enactments relating to the profits tax or the enactments relating to excess profits tax, as the case may be,

and in this Act, so far as it relates to duties of customs or duties of excise, the expression " the Commissioners " means the Commissioners of Customs and Excise.

(3) Any reference in this Act to any other enactment shall, except in 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.

(4) This Act shall not extend to Northern Ireland in so far as it relates to matters with respect to which the Parliament of Northern Ireland has power to make laws.

(5) The enactments specified in the Sixth Schedule to this Act are hereby repealed to the extent mentioned in the third column of that Schedule as from the thirteenth day of November, nineteen hundred and forty-seven.

SCHEDULES

Section 1.

FIRST SCHEDULE

BEER (RATES OF DUTY AND DRAWBACK).

PART I.

Rate of Excise Duty.

	£ s. d.
For every 36 gallons of worts of a specific gravity of 1,027 degrees or less	7 19 9
For every 36 gallons of worts of a specific gravity exceeding 1,027 degrees—	
For the first 1,027 degrees	7 19 9
For every additional degree in excess of 1,027 degrees	5 11

and so in proportion for any less number of gallons.

PART II.

Rate of Excise Drawback.

	£ s. d.
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity of 1,027 degrees or less	7 19 11
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity exceeding 1,027 degrees—	
For the first 1,027 degrees	7 19 11
For every additional degree in excess of 1,027 degrees	5 11

and so in proportion for any less number of gallons.

As respects beer the worts whereof were, before fermentation, of a specific gravity of less than 1,027 degrees, the amount of drawback allowable shall not exceed by more than twopence for every 36 gallons the amount of duty which is shown to the satisfaction of the Commissioners to have been paid.

PART III.

Rate of Customs Duty in case of Beer being an Empire Product.

	£ s. d.
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity of 1,027 degrees or less	8 0 2
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity exceeding 1,027 degrees—	
For the first 1,027 degrees	8 0 2
For every additional degree in excess of 1,027 degrees	5 11

and so in proportion for any less number of gallons.

PART IV.

Rate of Customs Duty in case of Beer not being an Empire Product.

	£	s.	d.
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity of 1,027 degrees or less	9	0	2
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity exceeding 1,027 degrees—			
For the first 1,027 degrees	9	0	2
For every additional degree in excess of 1,027 degrees		5	11

and so in proportion for any less number of gallons.

PART V.

Rate of Customs Drawback in case of Beer being an Empire Product.

	£	s.	d.
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity of 1,027 degrees or less	7	19	11
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity exceeding 1,027 degrees—			
For the first 1,027 degrees	7	19	11
For every additional degree in excess of 1,027 degrees		5	11

and so in proportion for any less number of gallons.

As respects beer the worts whereof were, before fermentation, of a specific gravity of less than 1,027 degrees, the amount of drawback allowable shall not exceed the amount of duty which is shown to the satisfaction of the Commissioners to have been paid, less threepence for every 36 gallons.

PART VI.

Rate of Customs Drawback in case of Beer not being an Empire Product.

	£	s.	d.
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity of 1,027 degrees or less	8	19	11
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity exceeding 1,027 degrees—			
For the first 1,027 degrees	8	19	11
For every additional degree in excess of 1,027 degrees		5	11

and so in proportion for any less number of gallons.

As respects beer the worts whereof were, before fermentation, of a specific gravity of less than 1,027 degrees, the amount of drawback allowable shall not exceed the amount of duty which is shown to the satisfaction of the Commissioners to have been paid, less threepence for every 36 gallons.

Section 2.

SECOND SCHEDULE.

SPIRITS (RATES OF ORDINARY CUSTOMS DUTY).

Description of Spirits.	Preferential rates.		Full rates.	
	In cask.	In bottle.	In cask.	In bottle
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
For every gallon computed at proof of—				
Brandy or rum	9 11 2	9 12 2	9 13 8	9 14 8
Imitation rum or geneva ...	9 11 3	9 12 3	9 13 9	9 14 9
Unsweetened spirits other than those already enumerated	9 11 3	9 11 3	9 13 9	9 13 9
For every gallon of perfumed spirits	12 12 0	12 13 0	12 16 0	12 17 0
For every gallon of liqueurs, cordials, mixtures and other preparations in bottle entered in such manner as to indicate that the strength is not to be tested	—	12 18 10	—	13 2 2
For every gallon computed at proof of spirits of any description not heretofore mentioned, including naphtha and methylic alcohol purified so as to be potable, and mixtures and preparations containing spirits...	9 11 3	9 12 3	9 13 9	9 14 9

Section 3.

THIRD SCHEDULE.

WINES (RATES OF CUSTOMS DUTY).

PART I.

NON-EMPIRE PRODUCTS.

Description of Wine.	Rate of duty per gallon.
	£ s. d.
Not exceeding 25 degrees proof spirit	1 2 0
Exceeding 25 degrees proof spirit and not exceeding 42 degrees proof spirit...	2 4 0
For every degree or fraction of a degree above 42 degrees proof spirit, an additional duty	0 3 8
Sparkling, an additional duty	1 2 0
Still, in bottle, an additional duty	0 3 6

PART II.

EMPIRE PRODUCTS.

3RD SCH. —*cont.*

Description of Wine.	Rate of duty per gallon.
	£ s. d.
Exceeding 27 degrees proof spirit and not exceeding 42 degrees proof spirit...	2 0 0
For every degree or fraction of a degree above 42 degrees proof spirit, an additional duty	0 3 4
Sparkling, an additional duty	0 15 9
Still, in bottle, an additional duty	0 2 6

FOURTH SCHEDULE.

Section 4.

SWEETS (RATES OF EXCISE DUTY).

Description of Sweets.	Rate of duty per gallon.
	£ s. d.
Not exceeding 27 degrees proof spirit	0 19 6
Exceeding 27 degrees proof spirit	1 4 6
Sparkling, an additional duty	0 15 6

FIFTH SCHEDULE.

Section 6.

SUPPLEMENTARY PROVISIONS AS TO THE POOL BETTING DUTY.

1. The pool betting duty shall be under the care and management of the Commissioners, and shall be paid over at such times by the persons by whom it is payable as the Commissioners may direct.

2. Any person who, on the twenty-eighth day of December, nineteen hundred and forty-seven or any subsequent day, is carrying on or intending to carry on any business the carrying on of which involves or may involve any sums becoming payable by him by way of the pool betting duty, shall—

(*a*) on the said day or, as the case may be, not less than one week before he begins to carry on the business, notify the Commissioners that he is carrying on or intending to carry on that business; and

(*b*) not later than the fourth day of January, nineteen hundred and forty-eight, or the date of the first user thereof for the purposes of the business, whichever last occurs make

5TH SCH. —*cont.*

entry with the Commissioners, in such manner as the Commissioners may require, of all premises and totalisators (if any) used by him for the purposes of the business ; and

(*c*) keep such books, records and accounts in relation to the business as the Commissioners may direct, and, for at least six months or such shorter or longer period as the Commissioners may in any particular case direct, preserve, on premises of which entry has been made as aforesaid, any books, records and accounts directed to be kept by him under this paragraph and any other books, records, accounts or documents relating to the business ; and

(*d*) permit any officer authorised in that behalf by the Commissioners to enter on any premises used for the purposes of the business, to inspect any totalisator used for the purposes thereof and to inspect and take copies of any books, records, accounts or other documents in his possession or power or on any premises used for the purposes of the business, being books, records, accounts or documents which relate or appear to relate to the business ;

and any such person, and any other person employed, or having functions in connection with, any such business (including, in particular, the accountant referred to in the First Schedule to the Betting and Lotteries Act, 1934) shall, if required so to do by the Commissioners or any officer authorised in that behalf by the Commissioners, produce, at a time and place to be specified by the Commissioners or the officer, any such books, records, accounts or documents relating to the business, make, at times and to persons to be so specified, such returns relating to the business, and give such other information relating to the business, as the Commissioners or the officer may require.

3. If any person—

(*a*) fails to pay any pool betting duty payable by him ; or

(*b*) contravenes or fails to comply with any of the provisions of the last preceding paragraph ; or

(*c*) obstructs any officer in the exercise of his functions in relation to the pool betting duty ; or

(*d*) in connection with the pool betting duty, 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, or, with intent to deceive, produces or makes use of any book, account, record, return or other document which is false in a material particular ; or

(*e*) is knowingly concerned in, or in the taking of steps with a view to, the fraudulent evasion, by him or any other person, of the pool betting duty,

he shall be liable to an excise penalty of two hundred pounds or treble the amount of the duty which is unpaid or payment of which is sought to be avoided, as the case may be, at the election of the Commissioners :

Provided that where a person is convicted of an offence under sub-paragraph (*d*) or sub-paragraph (*e*) of this paragraph, subsections (2) and (3) of section twelve of the Finance Act, 1943 (which confer

power on a court to order imprisonment in lieu of or in addition to a penalty in certain cases) shall apply as if the offence were such an offence as is mentioned in the said subsection (2).

4. Where a person is convicted under the last preceding paragraph in respect of a failure to comply with any of the provisions of paragraph 2 of this Schedule, and the failure continues after the conviction, then, unless he has a reasonable excuse for the continuance of the failure, he shall be guilty of a further offence under this Schedule and may, on conviction, be punished accordingly.

5. Where an offence under this Schedule has been committed by a body corporate, every person who at the time of the commission of the offence was a director, general manager, secretary or other similar officer of the body corporate, or was purporting to act in any such capacity, shall be deemed to be guilty of that offence unless he proves that the offence was committed without his consent or connivance and that he exercised all such diligence to prevent the commission of the offence as he ought to have exercised having regard to the nature of his functions in that capacity, and in all the circumstances.

6.—(1) Summary proceedings in respect of an offence under this Schedule may, notwithstanding anything to the contrary in the Summary Jurisdiction Acts, be taken at any time within six months from the date on which evidence comes to the knowledge of the Commissioners which is in their opinion sufficient to justify the proceedings:

Provided that proceedings shall not be taken more than three years after the commission of the offence.

(2) For the purposes of this paragraph, a certificate of the Commissioners as to the date on which such evidence as aforesaid came to their knowledge shall be conclusive evidence thereof.

7. In this Schedule, except where the context otherwise requires, the expression " officer " means an officer of Customs and Excise, and includes any person who is expressly authorised by the Commissioners to perform the duties of an officer of Customs and Excise for the purposes of this Schedule.

Section 9.

SIXTH SCHEDULE.

ENACTMENTS REPEALED.

Session and Chapter.	Short Title.	Extent of Repeal.
5 & 6 Geo. 6. c. 21.	The Finance Act, 1942.	In subsection (1) of section seventeen, the words from "which shall be" to the end of the subsection.
6 & 7 Geo. 6. c. 28.	The Finance Act, 1943.	Sections two, three and four, subsection (1) of section eleven, and the Second and Third Schedules.
7 & 8 Geo. 6. c. 23.	The Finance Act, 1944.	Parts I, III and IV of the First Schedule.
10 & 11 Geo. 6. c. 35.	The Finance Act, 1947.	In subsection (1) of section ten, the words "which shall be "two-thirds of the wholesale "value of the goods".

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