STATUTORY INSTRUMENTS

1968 No. 1380

TAXES

The Special Charge Regulations 1968

Made - - - - 26*th August* 1968

Laid before the House of Commons 30*th August* 1968

Coming into Operation 3*rd September* 1968

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by section 43(8) of the Finance Act 1968(a) and after consultation with the Council on Tribunals in so far as is required by section 8 of the Tribunals and Inquiries Act 1958(b) (as amended by section 3 of the Tribunals and Inquiries Act 1966(c)), hereby make the following Regulations:—

Citation and commencement

1. These Regulations may be cited as the Special Charge Regulations 1968 and shall come into operation on 3rd September 1968.

Interpretation

2.—(1) In these Regulations "Part IV" means Part IV of the Finance Act 1968, and references to sections and Schedules are references to sections of and Schedules to that Act unless some other Act is specified.

(2) The Interpretation Act 1889(d) shall apply to these Regulations as it applies to an Act of Parliament.

Trusts

3.—(1) Where under paragraph 7(3) of Schedule 15 a certificate is given by the Board to the person answerable for a trust that person may, by giving notice to the Board within 30 days of the date of the certificate, appeal to the Special Commissioners against the certificate (but only as respects the amount proper to be taken for the purpose of the certificate as the amount of the individual's investment income arising under the trust).

(2) All enactments which under section 43(7) apply to an appeal against an assessment to the special charge shall apply (with any necessary adaptations) to the appeal; and the certificate shall be varied as may be necessary to give effect to the determination of the appeal.

4. On the hearing of an appeal against an assessment to the special charge, a notice of charge issued under paragraph 5 of Schedule 15, a certificate issued under paragraph 7(3) of that Schedule, or a decision on any claim under Part IV to which section 9 of the Income Tax Management Act 1964(e) applies, any other person interested, that is to say the person originally chargeable, any person who has received a notice of charge under paragraph 5 of Schedule 15, or any person who has received a certificate under paragraph 7(3) of that

(a) 1968 c. 44. (b) 6 & 7 Eliz. 2. c. 66. (c) 1966 c. 43.
(d) 52 & 53 Vict. c. 63. (e) 1964 c. 37.

Schedule, shall, notwithstanding that he has not himself appealed, be entitled to appear or make representations in writing, and shall have the same rights as an appellant to be represented at the hearing;

Provided that a person answerable for a trust shall not be entitled to be heard or make representations in writing except on a question concerning income of the trust for which he is answerable.

5.—(1) Where—

(*a*) by reason of a reduction of an assessment to the special charge the amount of the special charge payable by the person originally chargeable is reduced, and

(*b*) the person originally chargeable has recovered any part of the special charge from the person answerable for a trust, under paragraph 3 of Schedule 15,

the person answerable for the trust shall be entitled to repayment under paragraph (2) of this Regulation of the amount by which the sum recovered from him exceeds the sum that would have been recoverable from him if the assessment had in the first instance been made in the reduced amount.

(2) Where the Board have given a certificate under paragraph 7(3) of Schedule 15 the repayment shall be made by the Board, and the amount repayable to the person originally chargeable shall be reduced accordingly; and in any other case the repayment shall be made by the person originally chargeable.

Interest

6. Where any amount of the special charge is repaid by the Board, there shall also be repaid any interest paid in respect of that amount.

7. Section 495(5) of the Income Tax Act 1952(**a**) and section 40(4) of the Finance Act 1967(**b**) (collection and recovery of interest on tax) shall apply to interest in respect of the special charge as they apply to interest charged under subsection (1) of the said section 495.

Close companies

8. Section 250(3), (4) and (5) and section 264 of the Income Tax Act 1952 (powers of obtaining information and of estimating income) shall apply for the purposes of apportionments and sub-apportionments under section 45(3) as they apply in relation to section 78 of the Finance Act 1965(**c**).

Exercise of functions

9. Functions relating to the administration and collection of the special charge may be exercised, subject to the Board's authority, by the Controller of Surtax and in his name; and any claim, application or notice to be made, given or sent to the Board in connection with the special charge shall be made, given or sent to the Controller of Surtax.

Service by post

10. Any notice or other document to be given, served, sent or delivered under Part IV, or under these Regulations, or under any enactment applied by Part IV or by these Regulations, may be served by post.

(**a**) 15 & 16 Geo. 6 & 1 Eliz. 2. c. 10. (**b**) 1967 c. 54.
(**c**) 1965 c. 25.

By Order of the Commissioners of Inland Revenue.

J. Webb,
Secretary.

26th August 1968.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations supplement the administrative provisions laid down by Part IV of the Finance Act 1968 for the Special Charge.

Regulations 3, 4 and 5 provide a supplementary procedure for appeals and repayments in cases where trusts are concerned.

Under Regulations 6, 7 and 8 certain existing provisions in the Income Tax Acts will apply for the collection of interest on the Special Charge, and for obtaining information in the case of close companies.