



# Finance Act 1963

## 1963 CHAPTER 25

### PART V

#### MISCELLANEOUS

#### **68 Abolition of land tax**

- (1) All properties which remained chargeable to land tax until the end of the land tax year 1962-63 shall be exonerated from land tax after the end of that year.
- (2) As respects land tax for the land tax year 1962-63 and for earlier years, and all other matters—
  - (a) the functions of the Land Tax Commissioners shall be transferred to the Commissioners for the general purposes of the income tax for the respective divisions in which the properties are situated,
  - (b) the functions of collectors of land tax shall be transferred to the collectors of taxes ;and the offices of Land Tax Commissioner, clerk to Land Tax Commissioners and collector of land tax shall be abolished. This subsection shall come into force on the 1st October 1963.
- (3) This section shall not affect any compulsory redemption of land tax under section 39 of the Finance Act 1949 where the date on which the property became liable to redemption was a date falling on or before the 24th March 1963.
- (4) In this section " land tax year" means a period of twelve months ending with the 24th March.

#### **69 Profits tax provisions in connection with Part II of this Act**

- (1) Where under any of the provisions of sections 22 to 25 of this Act a person has become chargeable to income tax on any amount, the amount shall be treated for the purposes of the profits tax as if it had been received by him, on the date by reference 'to which it is so chargeable to income tax, as income from an investment:

---

*Status: This is the original version (as it was originally enacted).*

---

Provided that where the person chargeable is a body corporate the said amount shall be treated for the purposes of section 42(5)(b) of the Finance Act 1938 (by virtue of which rent paid to one body corporate by another associated with it is excepted from the charge to profits tax) as rent paid to the body corporate by the person making the payment in respect of which the amount became chargeable or, where it became chargeable under section 22(2) of this Act, by the tenant on whom the obligation there referred to was imposed ; but in determining whether the said section 42 (5)(b) applies to an instalment as respects which a claim under section 22(6) of this Act has effect the relationship between the person paying and the person receiving the instalment shall be taken to be that subsisting when the transaction in respect of which the instalment is payable was entered into.

- (2) Schedule 9 to this Act, as applied (by virtue of section 20(1) of the Finance Act 1937) in computing the profits arising from a trade or business for purposes of the profits tax, shall have effect as if proviso (b) to paragraph 4 were omitted, and no deduction shall be allowed under that Schedule in computing any such profits for those purposes if the amount by reference to which the deduction would be made, or instalments of the payment in respect of which that amount arose, is or are excluded, by virtue of the proviso to the foregoing subsection, in computing profits for those purposes.
- (3) As respects expenditure incurred before the 6th April 1963, the provisions of Chapter III of Part II of this Act shall in relation to the profits tax have effect for accounting periods ending before or at the passing of this Act as well as accounting periods ending after the passing thereof, and for that purpose there shall be made all such amendments of assessments, additional assessments and repayments of tax as may be necessary.
- (4) Schedule 8 to the Finance Act 1947 shall have effect as if allowances under section 37 of this Act were included among the allowances referred to in paragraph 1(1) of that Schedule (which specifies certain income tax allowances which are to be made also for the purposes of the profits tax), and as if charges under that section were included among the charges referred to in paragraph 2(1) of the said Schedule 8 (which specifies certain income tax charges which are to be so made).
- (5) Where rent to which a housing association was entitled for any period is by virtue of a claim made under section 43 of this Act to be disregarded for income tax purposes the rent, together with any expenses incurred by the association in the period, shall be disregarded for purposes of the profits tax, but if the claim has effect by reason of a direction under the proviso to paragraph 2(1) of Schedule 10 to this Act and the direction is subsequently revoked, the liability of the association to profits tax for all relevant chargeable accounting periods shall be adjusted by the making of assessments or additional assessments or otherwise.
- (6) An amount which by virtue of section 44 of this Act is to be excluded in computing profits or gains for any income tax purposes shall also be excluded in computing profits for purposes of the profits tax.
- (7) This section shall be construed as one with Part III of the Finance Act 1937 and the other enactments relating to the profits tax.

## **70 Exchequer advances under Finance Act 1956, s. 42**

- (1) The power conferred by section 42 of the Finance Act 1956 to advance to the bodies to which that section applies (namely the Electricity Council, the Scottish Electricity Boards and the Gas Council) any sums which those bodies would have power to

borrow by the issue of stock shall be exercisable up to the end of August 1965, subject to the limits for the time being prescribed by law on the amounts outstanding in respect of sums borrowed by those bodies and subject to the following limitations—

- (a) the aggregate of the advances made under that section up to the end of August 1964 shall not exceed £3,280 million;
  - (b) no advances shall be made under that section during the subsequent year unless provision has been made by order of the Treasury fixing a maximum amount for the aggregate of the advances to be made under that section up to the end of that year.
- (2) An order under this section shall not have effect unless approved by a resolution of the Commons House of Parliament.
  - (3) The power conferred by this section to make an order shall be exercisable by statutory instrument, and shall include power to vary or revoke an order.
  - (4) Section 78 of the Finance Act 1960 shall cease to have effect.

## **71 Further provision for bearer bonds in respect of government securities**

- (1) Subject to section 10 of the Exchange Control Act 1947, and to regulations under this section, any person who is registered as the holder of any government security to which this section applies shall be entitled at his option to a bearer bond in lieu of the whole or any part of his holding; and the holder of such a bond shall be entitled, upon surrender of the bond, to be registered as the holder of the security represented by the bond.
- (2) This section applies to government securities being stock to which Part V of the National Debt Act 1870 applies at the commencement of this Act, or securities of such other descriptions as may be prescribed by order of the Treasury.
- (3) The Treasury may make regulations, in respect of all or any descriptions of government securities for which bearer bonds are available, whether by virtue of this section or by virtue of the terms of issue of the securities, for regulating the issue of bearer bonds and of coupons for the payment of dividends thereon; and such regulations may make provision—
  - (a) for any matters (other than income tax) for which provision is made at the commencement of this Act by Part V of the National Debt Act 1870 or by regulations under the said Part V in relation to stock subject to that Part;
  - (b) for any incidental, supplementary or transitional matters relating to such bonds or coupons, and to transactions connected therewith, for which it appears to the Treasury to be necessary or expedient to provide:

Provided that nothing in such regulations, so far as applicable to securities in respect of which bearer bonds are available by virtue of the terms of issue, shall take away or abridge any rights conferred on the holders by those terms.

- (4) Any power of the Treasury to make orders or regulations under this section shall be exercisable by statutory instrument; and any statutory instrument made by virtue of this section shall—
  - (a) in the case of an order under subsection (2), be laid before Parliament after being made; and
  - (b) in the case of regulations under subsection (3), be subject to annulment in pursuance of a resolution of either House of Parliament.

---

*Status: This is the original version (as it was originally enacted).*

---

- (5) In this section " government securities " means securities of any description comprised in the definition of " government stock " in section 15 of the National Debt Act 1958.
- (6) Part V of the National Debt Act 1870 shall cease to have effect, as from such date as may be prescribed by regulations under this section, except so far as it applies to stock certificates and coupons issued thereunder and outstanding on that date.

## **72 Redemption of guaranteed land stock**

- (1) The whole of the stock created under the Purchase of Land (Ireland) Act 1891 (which authorised the making of advances under the Land Purchase Acts by means of the issue of stock) shall be redeemed on such date as the Treasury may fix by notice published in the London and Belfast Gazettes, and in such other manner as the Treasury may think appropriate, not less than three months before that date and, subject to section 2(2) of the National Debt (Conversion) Act 1888 as applied by section 1(2) of the said Act of 1891, and subject to Schedule 3 to the Finance Act 1921 (which contains general provisions relating to the redemption of Government stock), the manner in which the redemption is carried out shall be such as may be determined by the notice.
- (2) The sums required to be applied in redeeming the stock shall be met out of the funds (including the net proceeds of the sale of investments) standing to the credit of the Sinking Fund established under section 1(2) of the said Act of 1891.
- (3) Any part of the funds standing to the credit of the said Sinking Fund not applied in redeeming the stock shall be paid into the Exchequer and the said Sinking Fund shall be wound up.
- (4) All liabilities shall be extinguished in respect of any instalment of any annuity for the repayment of an advance made by the issue of stock redeemed under this section, being an instalment which would, but for the provisions of this subsection, fall due on or after the date fixed by the Treasury under this section ; and subsections (2) and (3) of section 26 of the Government of Ireland Act 1920 (under which sums are payable out of the Exchequer of the United Kingdom the amounts of which depend on the amounts of the purchase annuities which are payable annually, or which would be so payable if they had not been redeemed) shall have effect accordingly.
- (5) The National Debt Commissioners shall prepare an account in such form as the Treasury may determine showing the sums applied in redeeming stock under this section and the disposition of the funds standing to the credit of the said Sinking Fund, and shall send the account to the Comptroller and Auditor General not later than six months after the date fixed by the Treasury under this section; and the Comptroller and Auditor General shall examine, certify and report on the account and lay copies of it, together with his report, before each House of Parliament.

## **73 Short title, commencement, construction, extent, amendments and repeals**

- (1) This Act may be cited as the Finance Act 1963.
- (2) Part IV of this Act (except section 67) shall come into force on the 1st August 1963.
- (3) "The Act of 1952" in Part I of this Act means the Customs and Excise Act 1952, and in Part II of this Act means the Income Tax Act 1952.

- (4) Part I of this Act shall be construed as one with the Customs and Excise Act 1952; Part II shall be construed as one with the Income Tax Acts; Part III shall be construed as one with the Finance Act 1894 ; and Part IV shall be construed as one with the Stamp Act 1891.
- (5) 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 or applied by or under any other enactment, including this Act.
- (6) Such of the provisions of this Act as relate to matters in respect of which the Parliament of Northern Ireland has power to make laws shall not extend to Northern Ireland.
- (7) In consequence of, or otherwise in connection with, the enactment of Chapter II of Part II of this Act—
  - (a) the enactments mentioned in Part I of Schedule 12 to this Act shall have effect, in relation to tax for the year 1964-65 and subsequent years and, where so provided in that Schedule, in relation to tax for the year 1963-64, subject to the modifications there set out, and the enactments mentioned in Part II of that Schedule shall have effect subject to the modifications there set out and in accordance with any provision there made as to the operation of those modifications ;
  - (b) the enactments mentioned in Parts I, II and III of Schedule 13 to this Act are hereby repealed to the extent mentioned in the third column of that Schedule, but subject as respects the repeals contained in each Part to any provision made at the end of that Part as to the effect of those repeals ;
  - (c) the enactments mentioned in Part IV of Schedule 13 to this Act are hereby repealed, to the extent mentioned in the second column of that Part, from the date or, as the case may be, as respects the matters specified in relation thereto in the third column of that Part.
- (8) The enactments mentioned in Schedule 14 to this Act—
  - (a) so far as they are mentioned in Part I of that Schedule are hereby repealed to the extent mentioned in the second column of that Part as from the date specified in relation thereto in the third column of that Part;
  - (b) so far as they are mentioned in any other Part of that Schedule are hereby repealed to the extent mentioned in the third column of that Part,  
but subject as regards the repeals contained in any Part of that Schedule to any provision in relation thereto made at the end of that Part.
- (9) The provisions of Schedules 13 and 14 to this Act as to the operation or effect of repeals contained in those Schedules are without prejudice to the provisions of section 38(2) of the Interpretation Act 1889.