



# Finance (No. 2) Act 1945

## 1945 CHAPTER 13

### PART I

#### PURCHASE TAX, CUSTOMS AND EXCISE.

##### *Hydrocarbon Oils.*

**7 Extension of rebate on heavy oil used for farm tractors.**

Section eight of the Finance Act, 1942 (which provides for a rebate, limited to expire on the expiration of the Emergency Powers (Defence) Act, 1939, on heavy oil for certain farm tractors, etc.) shall continue in force notwithstanding the expiration of the Emergency Powers (Defence) Act, 1939, until such date as His Majesty may by Order in Council determine, and accordingly for subsection (2) of the said section eight there shall be substituted the following subsection—

“(2) This section shall cease to have effect on such date, not being earlier than the expiration of the Emergency Powers (Defence) Act, 1939, as His Majesty may by Order in Council determine.”

**8 Amendment as to duty on oils used in refineries.**

(1) Subsections (1), (2) and (4) of section two of the Finance Act, 1934 (which impose, subject to certain modifications, customs duty on imported hydrocarbon oils used in a refinery) shall cease to have effect, and in lieu thereof the following provisions of this section shall have effect.

(2) Where any dutiable hydrocarbon oils on which customs duty has not been paid are used in a refinery for generating heat, light or power, or for producing gas, the same customs duty shall be charged and the same rebate shall be allowed in respect thereof as would be chargeable or allowable on the importation of the like oils:

Provided that the duty shall not be charged under this subsection—

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- (a) in respect of oils used for generating heat, light or power where it is shown to the satisfaction of the Commissioners that the heat, light or power is consumed inside the refinery; or
  - (b) in respect of oils used for producing gas where it is shown to the satisfaction of the Commissioners that the gas is not for use in generating heat, light or power, or that the heat, light or power in the generation of which it is used is consumed inside the refinery.
- (3) Nothing in the last preceding subsection shall affect the provisions of subsection (5) of section two of the Finance Act, 1928, as to the charge of duty or allowance of rebate on oils delivered from a refinery, but where it appears to the Commissioners that a refinery is not used primarily for the purpose of subjecting hydrocarbon oils to a process of purification or blending or a process resulting in the conversion thereof into other oils or solid or semi-solid residues, the Commissioners may, notwithstanding anything in the said subsection (5), require that customs duty shall be charged on the removal of such oils to that refinery instead of on their delivery therefrom, and that any rebate allowable shall be allowed accordingly :

Provided that—

- (a) where rebate has been allowed under this subsection on the removal of oils to a refinery and those oils are converted in the refinery into light oils, an amount equal to the rebate allowed on so much of those oils as appears to the Commissioners to have been so converted shall be charged on the delivery of the light oils from the refinery for home consumption; and
  - (b) where any oils are shown to the satisfaction of the Commissioners to have been removed from a refinery with respect to which a requirement under this subsection is in force to a refinery with respect to which no such requirement is -"in-"force; any customs duty charged on removal to the first mentioned refinery, less any rebate allowed, shall be repaid.
- (4) Where it is shown to the satisfaction of the Commissioners that any indigenous hydrocarbon oils have been delivered to a refinery (not being a refinery with respect to which a requirement under the last preceding subsection is in force) and used therein, except—
- (a) for generating heat, light or power for consumption outside the refinery; or
  - (b) for producing gas for use in generating heat, light or power for consumption outside the refinery,

the Commissioners shall pay to the occupier of the refinery out of the sums received by them on account of customs duties an amount equal to the duty for the time being chargeable on the importation of the like oils, not being indigenous oils, less the amount of any rebate allowable in respect thereof:

Provided that—

- (i) oils shall not be deemed for the purposes of this sub-section to have been used by reason only that they have been subjected to a process of purification or blending, or to a process resulting in the conversion thereof into other oils or solid or semi-solid residues, or have been wasted in the course of any such process; and
- (ii) where oils are used in a refinery in any process which permits the whole or part of the oils to be recovered in a useable state, only the part, if any, of the oils not so recovered shall be treated for the purposes of this subsection as having been used; and

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- (iii) where oils are so used in a refinery that an amount falls to be paid to the occupier of the refinery under this subsection, the amount to be paid shall be computed as if the amount of oils so used included any wastage of the oils occurring in the refinery which, in the opinion of the Commissioners, is properly attributable to the oils so used; and
  - (iv) in computing the amount payable under this subsection rebate shall be deemed to be allowable in respect of all oils other than such oils as satisfy both of the first two requirements specified in, the definition of " light oils " in subsection (3) of section two of the Finance Act, 1928, that is to say the requirement as to distillation at a temperature not exceeding one hundred and eighty-five degrees centigrade and the requirement as to distillation at a temperature not exceeding two hundred and forty degrees centigrade.
- (5) It is hereby declared that—
- (a) any reference to hydrocarbon oils in section three of the Finance Act, 1928 (which enables the Commissioners to make regulations) includes a reference to indigenous hydrocarbon oils; and
  - (b) save in so far as those powers relate only to imported hydrocarbon "oils, any of those powers may be exercised either as respects all hydrocarbon oils or any class of hydrocarbon oils, and in particular (but without prejudice to the generality of the preceding provision) either as respects indigenous hydrocarbon oils, or as respects other hydrocarbon oils, or as respects hydrocarbon oils whether indigenous or not; and
  - (c) the reference in subsection (2) of the said section three to the value of the goods (including duty) includes a reference to the value of goods in respect of which no duty is payable,
- and the power of the Commissioners to make regulations under the said section three shall include power—
- (i) to prescribe the time and manner in which payments are to be made under subsection (4) of this section and the proof to be given that the conditions specified in that subsection have been satisfied; and
  - (ii) to make provision for securing that gas produced in a refinery from dutiable hydrocarbon oils on which customs duty has not been paid or has been repaid, or from oils in respect of which a payment is made under subsection (4) of this section, is not used in generating heat, light or power for consumption outside the refinery.
- (6) In this section the expressions' " hydrocarbon oils ", " light oils " and " refinery " have the same meanings as in section two of the Finance Act, 1928, and the expression "indigenous hydrocarbon oils" means hydrocarbon oils which have neither been imported into the United Kingdom nor produced from oils or other materials imported into the United Kingdom.
- (7) Any requirement made by the Commissioners under subsection (2) of section two of the Finance Act, 1934, that customs duty shall be charged on the removal of oils to a refinery instead of on delivery therefrom shall be deemed for the purposes of this section to have been a requirement under the corresponding provision thereof.