



# Finance (No. 2) Act 1975

## 1975 CHAPTER 45

### PART I

#### CUSTOMS AND EXCISE

##### *Miscellaneous*

#### **1 Increase of duties on spirits, beer, wine, British wine and tobacco**

- (1) The rate of the duty of excise chargeable under section 1 of the Finance Act 1964 on British spirits by virtue of Schedule 1 to the Finance Act 1973 and section 1(1) of the Finance Act 1974 shall be increased by £5.0800 per proof gallon.
- (2) The rates of the duties of customs chargeable under section 1 of the Finance Act 1964 on imported spirits other than perfumed spirits by virtue of Schedule 1 to the Finance Act 1973, section 1(2) of the Finance Act 1974 or any relevant order shall each be increased—
  - (a) in the case of spirits not comprised in paragraph (b) below, by £5.0800 per proof gallon ; and
  - (b) in the case of liqueurs, cordials, mixtures and other preparations in bottle, entered in such manner as to indicate that the strength is not to be tested, by £6.8600 per liquid gallon.
- (3) The rates of the duties of customs and excise chargeable under section 2 of the Finance Act 1964 on beer by virtue of Schedule 2 to the Finance Act 1973, section 1(3) of the Finance Act 1974 or any relevant order shall each be increased—
  - (a) except as regards the increases mentioned in paragraph (b) below, by £4.3200 per 36 gallons ; and
  - (b) as regards the increases in the rates of duty falling to be made, in the case of beer of an original gravity exceeding 1,030 degrees, for each additional degree, by £0.1440 per 36 gallons;

and as respects beer on which there have been paid duties of customs or excise at the said increased rates, the rates of drawback allowable under the said section 2 by virtue

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of the said Schedule 2, the said section 1(3) or any such order shall each be increased by the like amount per 36 gallons.

- (4) The rates of the duties of customs chargeable under section 3 of the Finance Act 1964 on imported wine by virtue of Schedule 3 to the Finance Act 1973, section 1(4) of the Finance Act 1974 or any relevant order shall each be increased—
- (a) except as regards the additions mentioned in paragraph (b) below, by £1.3300 per gallon ; and
  - (b) as regards the additions to the rates of duty falling to be made, in the case of wine exceeding 42 degrees of proof spirit, for each additional degree or fraction of a degree, by £0.0550 per gallon.

For the purposes of this subsection " wine " includes the lees of wine.

- (5) The rates of the duty of excise chargeable under section 3 of the Finance Act 1964 on British wine by virtue of Schedule 4 to the Finance Act 1973 and section 1(5) of the Finance Act 1974 shall each be increased by £1.3300 per gallon.
- (6) The rates of the duties of customs and excise chargeable under section 4 of the Finance Act 1964 on tobacco by virtue of Schedule 5 to the Finance Act 1973, section 1(6) of the Finance Act 1974 or any relevant order shall each be increased by £2.0500 per pound; and as respects tobacco on which there have been paid duties of customs or excise at the said increased rates, the rates of drawback allowable under the said section 4 by virtue of the said Schedule 5, the said section 1(6) or any such order shall each be increased by the like amount per pound.
- (7) In this section " relevant order " means any order made before 16th April 1975 under subsection (4) of section 1 of the Finance Act 1973 (power to alter rates of duties of customs and of drawbacks); and the preceding provisions of this section are without prejudice to the powers conferred on the Treasury by that section.
- (8) This section shall be deemed to have come into force on 16th April 1975.

## 2 Gaming licence duty

- (1) In section 14 of the Betting and Gaming Duties Act 1972 (amount of gaming licence duty)—
- (a) for the Table in subsection (1) there shall be substituted the following Table:—

TABLE

Rateable value of premises		
Charge for each table	Exceeding	Not exceeding
£	£	£
—	1,500	500
1,500	3,000	750
3,000	4,500	1,250
4,500	6,000	2,500
6,000	7,500	3,750
7,500	9,000	5,000

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Rateable value of premises

Charge for each table	Exceeding	Not exceeding
9,000	10,500	6,250
10,500	12,000	8,750
12,000	—	11,250

- (b) in subsection (3), after " above " there shall be inserted " premises constituting or comprised in a hereditament without a rateable value shall be treated as premises of a rateable value not exceeding £1,500, and ", and for " exceeding £1,000 but not exceeding £2,500 " (which gives the deemed rateable value of premises consisting of or comprised in a vessel) there shall be substituted " exceeding £6,000 but not exceeding £7,500 ".
- (2) Paragraphs 18 and 19 of Schedule 2 to that Act (duty to be ascertained by reference to the rateable value that was or would have been shown in the previous valuation list or roll there mentioned instead of the value shown in the list or roll as in force for the time being) shall cease to have effect.
- (3) This section shall have effect in relation to gaming licences for the period beginning on 1st October 1975 or any later period.

**3 Bingo duty**

- (1) In section 17(2) of the Betting and Gaming Duties Act 1972 (amount of bingo duty)—
- (a) for "2 ½ per cent." (in both places) there shall be substituted " 5 per cent. "; and
- (b) for " one thirty-ninth " there shall be substituted " one-nineteenth ".
- (2) In paragraph 5(2) of Schedule 3 to that Act (exemption for small-scale amusements provided commercially)—
- (a) in paragraphs (a) and (c), for " 5p" there shall be substituted " 10p "; and
- (b) in paragraph (b), for " £2.50 " there shall be substituted " £5.00 ".
- (3) In Part I of that Schedule there shall be inserted after paragraph 6—

*“Power to increase limits of exemptions*

- 6A (1) The Commissioners may by order made by statutory instrument provide that any provision of this Part of this Schedule which is specified in the order and which mentions a sum shall have effect (whether as from a date so specified or in relation to events taking place on or after a date so specified) as if for that sum there were substituted such larger sum as may be specified in the order.
- (2) An order under this paragraph may be varied or revoked by a subsequent order.
- (3) Any statutory instrument containing an order under this paragraph shall be subject to annulment in pursuance of a resolution of the House of Commons.”
- (4) Subsection (1) above shall have effect as from 29th September 1975 and subsection (2) above shall be deemed to have had effect from the beginning of May 1975.

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#### **4 Gaming machine licence duties**

- (1) In section 23(1) of the Betting and Gaming Duties Act 1972 (duty on ordinary gaming machine licences)—
  - (a) in Table A (premises with local authority approval) for " £75 " there shall be substituted " £50 ", and for " £150 " there shall be substituted " £100 "; and
  - (b) in Table B (premises without local authority approval) for " £150 " there shall be substituted " £100 ", and for " £300 " there shall be substituted " £200 ".
- (2) In section 24(b) of that Act (duty on holiday season licences) for " £15 " there shall be substituted " £7.50 ".
- (3) In paragraph 2 of Schedule 4 to that Act (exemption for provision of gaming machines at pleasure fairs)—
  - (a) in sub-paragraph (2)(b), for " 10p " (in both places) there shall be substituted " 15p ", and for " 25p " (in both places) there shall be substituted " 40p ";
  - (b) in sub-paragraph (3)(a) and (b), for " 25p " (wherever occurring) there shall be substituted " 40p "; and
  - (c) in sub-paragraph (4), for " 10p " there shall be substituted " 15p ".
- (4) In Part I of that Schedule there shall be inserted after paragraph 2—
 

“2A (1) The Commissioners may by order made by statutory instrument provide that any provision of paragraph 2 of this Schedule which is specified in the order and which mentions a sum shall have effect, as from a date so specified, as if for that sum there were substituted such larger sum as may be specified in the order.

(2) An order under this paragraph may be varied or revoked by a subsequent order.

(3) Any statutory instrument containing an order under this paragraph shall be subject to annulment in pursuance of a resolution of the House of Commons.”
- (5) In Part V of the Miscellaneous Transferred Excise Duties Act (Northern Ireland) 1972 (gaming machine licences in Northern Ireland)—
  - (a) in the Table in section 44(4) (duty where rewards from machines exceed 10p) for " £150 " there shall be substituted " £100 ", and for " £300 " there shall be substituted " £200 ";
  - (b) in the Table in section 45(3) (duty where rewards do not exceed 10p) for " £75 " there shall be substituted " £50 "; and
  - (c) in section 45(5) (duty on eight-month licences) for " £15 " there shall be substituted " £7.50 ".
- (6) Subsections (1), (2) and (5) of this section shall have effect in relation to licences for periods beginning at any time after the end of September 1975 ; and subsection (3) shall be deemed to have had effect from the beginning of May 1975.

#### **5 Vehicles excise duty: Great Britain**

- (1) The Vehicles (Excise) Act 1971 shall be amended as follows.
- (2) For the provisions of Part II of Schedules 1 to 5 (annual rates of duty) there shall be substituted the provisions set out in Schedule 1 to this Act.

- (3) In subsection (5) of section 16 (rates of duty for trade licences), including that subsection as set out in paragraph 12 of Part I of Schedule 7, for "£15" and "£2.50" there shall be substituted respectively "£20" and "£3.35".
- (4) In the heading of Schedule 1 and paragraph 1 of Part I of that Schedule (annual rates of duty on certain vehicles not exceeding 8 cwt.) for "8" there shall be substituted "8J".
- (5) No duty shall be chargeable in respect of tramcars used for the conveyance of passengers and accordingly there shall be omitted—
  - (a) in section 4(1)(e) the words "not being tramcars used for the conveyance of passengers";
  - (b) in paragraph 1 of Part I of Schedule 2 the words "of any description" and "in relation to carriages of that description".
- (6) This section, other than subsection (5), has effect in relation to licences taken out after 15th April 1975; and subsection (5) has effect as from 16th April 1975.

## **6 Vehicles excise duty: Northern Ireland**

- (1) The Vehicles (Excise) Act (Northern Ireland) 1972 shall be amended as follows.
- (2) For the provisions of Part II of Schedules 1 to 5 (annual rates of duty) there shall be substituted the provisions set out in Schedule 2 to this Act.
- (3) In subsection (6) of section 16 (rates of duty for trade licences), including that subsection as set out in paragraph 12 of Part I of Schedule 9, for "£15" and "£2.50" there shall be substituted respectively "£20" and "£3.35".
- (4) In the heading of Schedule 1 and paragraph 1 of Part I of that Schedule (annual rates of duty on certain vehicles not exceeding 8 cwt.) for "8" there shall be substituted "8J".
- (5) This section has effect in relation to licences taken out after 15th April 1975.

## **7 Continuation of powers under Finance Act 1961 s. 9**

The period after which orders of the Treasury under section 9 of the Finance Act 1961 may not be made or continue in force (which, by section 3 of the Finance Act 1974, was extended until the end of August 1975) shall extend until the end of August 1976 or such later date as Parliament may hereafter determine.

*Conversion of revenue duties and related provisions taking effect on 1st January 1976*

## **8 Conversion of certain revenue duties and amendment of customs and excise and other Acts in connection therewith**

- (1) At the end of 1975 the duties of customs on spirits, wine, beer, hydrocarbon oil, matches and mechanical lighters and the duty of excise on British wine charged under the enactments mentioned in subsection (2) below shall cease to be charged, but on and after 1st January 1976—
  - (a) duties of excise on spirits, beer, hydrocarbon oil, matches and mechanical lighters shall be charged under sections 9 to 13 of this Act on those goods alike where produced or manufactured in the United Kingdom and where imported into the United Kingdom; and

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- (b) duties of excise shall be charged under sections 14 and 15 of this Act on wine and on made-wine (as defined in those sections) produced in the United Kingdom or imported into the United Kingdom.
- (2) The enactments referred to in subsection (1) above are section 6(1) of the Finance Act 1928 (mechanical lighters), sections 1(1), 2(1) and 3(1) of the Finance Act 1964 (spirits, beer, wine and British wine), section 1(2) of the Finance Act 1973 (matches) and section 4(1) of the Hydrocarbon Oil (Customs & Excise) Act 1971.
- (3) The customs Acts and excise Acts shall have effect in relation to an excise duty chargeable alike on goods produced or manufactured in or imported into the United Kingdom as if that duty were, in so far as it is chargeable on goods produced or manufactured in the United Kingdom, a duty of excise and, in so far as it is chargeable on goods imported into the United Kingdom, a duty of customs.
- (4) Part I of Schedule 3 to this Act shall have effect for supplementing the foregoing provisions of this section; but nothing in the amendments made by that Part shall affect the right to any drawback or other relief under any of the enactments amended thereby in respect of customs duty charged before the end of 1975.
- (5) The amendments set out in Part II of that Schedule (being amendments relating to the duties referred to in paragraphs (a) and (b) of subsection (1) above) shall, on and after 1st January 1976, also have effect.

## 9 Spirits

There shall be charged on spirits—

- (a) imported into the United Kingdom ; or  
(b) distilled, or manufactured by any other process whatsoever, in the United Kingdom, a duty of excise at the rates shown in the following Table—

TABLE

<i>Description of spirits</i>	<i>Rates of duty (per proof gallon)</i>
	£
1. Spirits warehoused for 3 years or more	22.0900
2. Spirits not warehoused or warehoused for less than 3 years.	22.1650

## 10 Beer

- (1) There shall be charged on beer—
- (a) imported into the United Kingdom ; or  
(b) brewed in the United Kingdom,
- a duty of excise at the rate of £13.6800 for every 36 gallons, that rate being, however, increased in the case of beer of an original gravity exceeding 1,030 degrees, by £0.4560 for each additional degree.
- (2) Drawback under sections 137 and 138 of the Act of 1952 shall, where it is shown to the satisfaction of the Commissioners that a duty of excise charged under this section

has been paid, be allowed at the same rate as the rate at which the duty is charged; but as respects beer of an original gravity of less than 1,030 degrees the amount of drawback allowable shall not exceed the amount of the duty shown to the satisfaction of the Commissioners to have been paid.

## **11 Hydrocarbon oil**

Subject to section 4(2) of the Hydrocarbon Oil (Customs & Excise) Act 1971, there shall be charged on hydrocarbon oil—

- (a) imported into the United Kingdom ; or
- (b) produced in the United Kingdom and delivered for home use from a refinery or from other premises used for the production of hydrocarbon oil or from any bonded storage for hydrocarbon oil, not being hydrocarbon oil chargeable with duty under paragraph (a) above,

a duty of excise at the rate of £0.2250 a gallon.

## **12 Matches**

There shall be charged on matches—

- (a) imported into the United Kingdom ; or
- (b) manufactured in the United Kingdom and sent out from the premises of a manufacturer of matches,

a duty of excise at the rate of £0.4900 for every 7,200 matches (and so in proportion for any less number of matches).

## **13 Mechanical lighters**

(1) There shall be charged on mechanical lighters—

- (a) imported into the United Kingdom ; or
- (b) manufactured in the United Kingdom and sent out from the premises of a manufacturer of mechanical lighters,

a duty of excise at the rate of £0.2000 for each lighter.

(2) The duty chargeable under subsection (1) above shall be chargeable on mechanical lighters which when so imported or sent out are incomplete as well as on lighters which at that time are complete.

(3) No duty shall be chargeable under subsection (1) above on a domestic gas lighter, that is to say, a mechanical lighter which is shown to the satisfaction of the Commissioners to be contracted solely for the purposes of igniting gas for domestic use.

## **14 Wine**

(1) There shall be charged on wine—

- (a) imported into the United Kingdom ; or
- (b) produced in the United Kingdom by a person who is required by subsection (2) below to be licensed to produce wine for sale,

a duty of excise at the rates shown in Schedule 4 to this Act and the duty shall, in so far as it is chargeable on wine produced in the United Kingdom, be charged and paid

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in accordance with regulations under section 140 of the Act of 1952 (as substituted by paragraph 27 of Schedule 3 to this Act).

- (2) Subject to subsection (3) below, a person who, on any premises in the United Kingdom, produces wine for sale must hold an excise licence under this subsection in respect of those premises for that purpose and on such a licence there shall be charged an excise duty at the rate of £5.25 per annum.
- (3) A person who, in warehouse, produces wine for sale by rendering it sparkling in accordance with regulations under section 16(2) of this Act need not hold an excise licence under subsection (2) above in respect of those premises.
- (4) If any person who is required by subsection (2) above to hold a licence under that subsection in respect of any premises produces wine on those premises without being the holder of a licence under that subsection in respect of those premises he shall be liable to a penalty of £500 and the wine and all vessels, utensils and materials for producing wine found in his possession shall be liable to forfeiture.
- (5) In this section (and in the customs Acts and excise Acts) " wine" means any liquor obtained from the alcoholic fermentation of fresh grapes or the must of fresh grapes, whether or not the liquor is fortified with spirits or flavoured with aromatic extracts; and any reference to " wine " in those Acts in force on 1st January 1976 shall be construed accordingly.

## 15 Made-wine

- (1) There shall be charged on made-wine—
  - (a) imported into the United Kingdom ; or
  - (b) produced in the United Kingdom by a person who is required by subsection (2) below to be licensed to produce made-wine for sale,
 a duty of excise at the rates shown in Schedule 5 to this Act and the duty shall, in so far as it is chargeable on made-wine produced in the United Kingdom, be charged and paid in accordance with regulations under section 140 of the Act of 1952 (as substituted by paragraph 27 of Schedule 3 to this Act).
- (2) Subject to subsections (3) and (4) below, a person who, on any premises in the United Kingdom, produces made-wine for sale must hold an excise licence under this subsection in respect of those premises for that purpose and on such a licence there shall be charged an excise duty at the rate of £5.25 per annum.
- (3) A person who, in warehouse, produces made-wine for sale by rendering it sparkling in accordance with regulations under section 16(2) of this Act need not hold an excise licence under subsection (2) above in respect of those premises.
- (4) A person need not hold an excise licence under subsection (2) above in respect of premises on which he produces made-wine for sale so long as all the following conditions are satisfied in relation to the production of made-wine by him on those premises, that is to say—
  - (a) the excise duty chargeable on each alcoholic ingredient used by him has become payable before he uses it;
  - (b) the ingredients he uses do not include non-excisable cider or black beer ;
  - (c) he does not by fermentation increase the alcoholic strength of any liquor or substance used by him; and
  - (d) he does not render any made-wine sparkling.



(5) If any person who is required by subsection (2) above to hold a licence under that subsection in respect of any premises produces made-wine on those premises without being the holder of a licence under that subsection in respect of those premises he shall be liable to a penalty of £500 and the made-wine and all vessels, utensils and materials for producing made-wine found in his possession shall be liable to forfeiture.

(6) In this section (and in the customs Acts and excise Acts)—

" made-wine " means any liquor obtained from the alcoholic fermentation of any substance or by mixing a liquor so obtained or derived from a liquor so obtained with any other liquor or substance but does not include wine, beer, black beer, spirits or non-excisable cider;

" non-excisable cider " means cider (or perry) of a strength less than 8.7 per cent, of alcohol by volume (at a temperature of 20°C) obtained from the fermentation of apple or pear juice without the addition at any time of any alcoholic liquor or of any liquor or substance which communicates colour or flavour other than such as the Commissioners may allow as appearing to them to be necessary to produce cider (or perry);

and, subject to any provision contained in Schedule 3 to this Act, in the excise Acts in force on 1st January 1976, for the expression " British wine " (substituted for " sweets " by section 1(4) of the Finance Act 1962) wherever occurring, there shall be substituted the expression " made-wine ".

## **16 Regulation of warehouses and warehoused goods**

(1) On 1st January 1976 the following provisions of the Act of 1952 (which regulate warehouses and warehoused goods), that is to say, sections 81 to 84 (except 82(3)), 86 to 89 and 145(1) and (2), shall be replaced by regulations having effect under subsection (2) of this section.

(2) The Commissioners may by regulations regulate the deposit, keeping, securing and treatment of goods in and the removal of goods from warehouse and, without prejudice to the generality of the foregoing words, the regulations may include provisions—

(a) imposing or providing for the imposition under the regulations of conditions and restrictions subject to which goods may be deposited in, kept in or removed from warehouse or made available there to their owner for any prescribed purpose ;

(b) requiring goods deposited in warehouse to be produced to or made available for inspection by an officer on request by him;

(c) permitting the carrying out on warehoused goods of such operations (other than operations consisting of the mixing of spirits with wine or made-wine) as may be prescribed by or allowed under the regulations in such manner and subject to such conditions and restrictions as may be so prescribed or allowed;

(d) for determining, for the purpose of charging or securing the payment of duty, the duties of customs or excise and the rates thereof to be applied to warehoused goods (other than goods falling within section 80(1)(e) of the Act of 1952) and in that connection—

(i) for determining the time by reference to which warehoused goods are to be classified ;

(ii) for determining the time at which warehoused goods are to be treated as having been removed from warehouse;

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- (iii) for ascertaining the quantity which is to be taken as the quantity of warehoused goods;
- and may contain such incidental or supplementary provisions as the Commissioners think necessary or expedient for the protection of the revenue.
- (3) The regulations may make different provision for warehouses or parts of warehouses of different descriptions or for goods of different classes or descriptions or of the same class or description in different circumstances.
- (4) The regulations may make provision about the removal of goods from one warehouse to another or from one part of a warehouse to another part or for treating goods remaining in a warehouse as if, for all or any prescribed purposes of the customs Acts or excise Acts or any charge to customs or excise duty, they had been so removed; and regulations about the removal of goods may, for all or any prescribed purposes of those Acts or any such charge, include provision for treating the goods as having been warehoused or removed from warehouse (where they would not otherwise be so treated).
- (5) Regulations made by virtue of paragraph (a) or (c) of subsection (2) above may also provide for the forfeiture of goods in the event of non-compliance with any condition or restriction imposed by virtue of that paragraph or in the event of the carrying out of any operation on warehoused goods which is not by virtue of the said paragraph (c) permitted to be carried out in warehouse.
- (6) Section 34(1A) of the Act of 1952 (provision for deferment of payment of duty) shall apply to warehoused goods with the substitution of a reference to regulations under subsection (2) above for any reference to that section.
- (7) If any person fails to comply with any regulation made under subsection (2) above or with any condition or restriction imposed under a regulation so made he shall be liable to a penalty of £100.
- (8) In this section " the regulations " means regulations under subsection (2) above and " prescribed " means prescribed by the regulations.
- (9) The enactments specified in Schedule 6 to this Act shall have effect, on and after 1st January 1976, subject to the amendments specified in that Schedule (being minor amendments connected with the replacement of the provisions referred to in subsection (1) above by regulations under this section).