

SCHEDULES

SCHEDULE 1

Section 1(3).

WINE: RATES OF DUTY

Description of wine (in strengths measured by reference to the following percentages of alcohol by volume at a temperature of 20°C.)	Rates of duty (per gallon)
	£
Wine of an alcoholic strength—	
not exceeding 15 per cent.	3.2500
exceeding 15 but not exceeding 18 per cent.	3.7500
exceeding 18 but not exceeding 22 per cent.	4.4150
exceeding 22 per cent	4.4150
	plus £0.4700 for every 1 per cent. or part of 1 per cent. in excess of 22 per cent.; each of the above rates of duty being, in the case of sparkling wine, increased by £0.7150 per gallon.

SCHEDULE 2

Section 1(4).

MADE-WINE: RATES OF DUTY

Description of made-wine (in strengths measured by reference to the following percentages of alcohol by volume at a temperature of 20°C.)	Rates of duty (per gallon)
	£
Made-wine of an alcoholic strength—	
not exceeding 10 per cent.	2.1100
exceeding 10 but not exceeding 15 per cent.	3.1600
exceeding 15 but not exceeding 18 per cent.	3.4750
exceeding 18 per cent.	3.4750 plus
	£0.4700 for every 1 per cent. or part of 1 per cent. in excess of 18 per cent.; each of

Status: This is the original version (as it was originally enacted).

Description of made-wine (in strengths measured by reference to the following percentages of alcohol by volume at a temperature of 20°C.)

Rates of duty (per gallon)

the above rates of duty being, in the case of sparkling made-wine, increased by £0.3300 per gallon.

SCHEDULE 3

Section 3.

RATES OF REPAYMENT UNDER SECTION 3

Period in which duty paid (all dates inclusive)	Unmanufactured tobacco		
	Manufactured tobacco	Containing 10 per cent. or more by weight of moisture	Containing less than 10 per cent. by weight of moisture
	£ per pound	£ per pound	£ per pound
10th May 1976 to 15th December 1976	5.8150	5.8560	5.9000
16th December 1976 to 29th March 1977	6.3965	6.4416	6.4900
30th March 1977 to 31st December 1977	6.4000	6.4410	6.4850

SCHEDULE 4

Section 5.

PROVISIONS SUBSTITUTED IN VEHICLES (EXCISE) ACT 1971

I

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 1

Description of vehicle	Rate of duty
	£
1. Bicycles and tricycles of which the cylinder capacity of the engine does not exceed 150 cubic centimetres; electrically propelled bicycles; electrically propelled tricycles which do not exceed 165 pounds in weight unladen	5.00
2. Bicycles of which the cylinder capacity of the engine exceeds 150 cubic centimetres	10.00

Status: This is the original version (as it was originally enacted).

Description of vehicle	Rate of duty
but does not exceed 250 cubic centimetres; tricycles (other than those in the foregoing paragraph) and vehicles (other than mowing machines) with more than three wheels, being tricycles and vehicles neither constructed nor adapted for use nor used for the carriage of a driver or passenger	
3. Bicycles and tricycles not in the foregoing paragraphs	20.00

II

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 2

Description of vehicle	Rate of duty
	£
Hackney carriages	25.00 with an additional 50p for each person above 20 (excluding the driver) for which the vehicle has seating capacity.

III

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 3

1. Description of vehicle	Weight unladen of vehicle		Rate of duty	
	2. Exceeding	3. Not exceeding	4. Initial	5. Additional for each ton or part of a ton in excess of the weight in column 2
1. Agricultural machines; digging machines; mobile cranes; works trucks; mowing machines; fishermen's tractors.	—	—	£ 8.50	£ —

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

1.	Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each ton or part of a ton in excess of the weight in column 2
2. Haulage vehicles, being showmen's vehicles.	—	7 ¼ tons	84 00	—
	7 ¼ tons	8 tons	101.00	—
	8 tons	10 tons	118.00	—
	10 tons	—	118.00	18.00
3. Haulage vehicles, not being showmen's vehicles.	—	2 tons	100.00	—
	2 tons	4 tons	180.00	—
	4 tons	6 tons	260.00	—
	6 tons	7 ¼ tons	340.00	—
	7 ¼ tons	8 tons	415.00	—
	8 tons	10 tons	415.00	70.00
	10 tons	—	555.00	80.00

IV

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 4

TABLES SHOWING ANNUAL RATES OF DUTY ON GOODS VEHICLES

Table A

GENERAL RATES OF DUTY

1.	Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each ¼ ton or part of a ¼ ton in excess of the weight in column 2
			£	£
1. Farmers' goods vehicles	—	12 cwt	30.00	—
	12cwt	16 cwt	32.00	—

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

1.	Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each $\frac{1}{4}$ ton or part of a $\frac{1}{4}$ ton in excess of the weight in column 2
2. Showmen's goods vehicles	16 cwt	1 ton	35.00	—
	1 ton	3 tons	35.00	4.00
	3 tons	6 tons	67.00	3.00
	6 tons	10 tons	103.00	2.00
	10 tons	—	135.00	4.00
	—	12 cwt	30.00	—
	12 cwt	16 cwt	32.00	—
	16 cwt	1 ton	35.00	—
	1 ton	3 tons	35.00	4.00
	3 tons	6 tons	67.00	3.00
3. Electrically propelled goods vehicles (other than farmers' goods vehicles or showmen's goods vehicles); tower wagons.	6 tons	10 tons	103.00	4.00
	10 tons	—	167.00	6.00
	—	12 cwt	40.00	—
	12 cwt	16 cwt	44.00	—
	16 cwt	1 ton	50.00	—
	1 ton	4 tons	50.00	5.00
	4 tons	6 tons	110.00	6.00
4. Goods vehicles not included in any of the foregoing provisions of this Part of this Schedule.	6 tons	10 tons	158.00	5.00
	10 tons	—	238.00	8.00
	—	16 cwt	50.00	—
	16 cwt	1 ton	56.00	—
	1 ton	4 tons	56.00	14.00
	4 tons	10 tons	224.00	25.00
	10 tons	—	824.00	30.00

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

Table B

RATES OF DUTY ON GOODS VEHICLES USED FOR DRAWING TRAILERS

Weight unladen of vehicle			
1.	2.	3.	4.
Description of vehicle	Exceeding	Not exceeding	Rate of duty
			£
1. Showmen's goods vehicles	—	—	30.00
2. Other goods vehicles	—	1 ½ tons	30.00
	1 ½ tons	3 tons	40.00
	3 tons	4 tons	67.00
	4 tons	6 tons	90.00
	6 tons	—	112.00

V

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 5

Description of vehicle	Rate of duty
£	
1. Electrically propelled vehicles; vehicles not exceeding seven horse-power, if registered under the Roads Act 1920 for the first time before 1st January 1947	36.00
2. Vehicles not included above	50.00

SCHEDULE 5

Section 6.

PROVISIONS SUBSTITUTED IN VEHICLES (EXCISE) ACT (NORTHERN IRELAND) 1972

I

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 1

Description of vehicle	Rate of duty
£	

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

Description of vehicle	Rate of duty
1. Bicycles and tricycles of which the cylinder capacity of the engine does not exceed 150 cubic centimetres; electrically propelled bicycles; electrically propelled tricycles which do not exceed 165 pounds in weight unladen	5.00
2. Bicycles of which the cylinder capacity of the engine exceeds 150 cubic centimetres but does not exceed 250 cubic centimetres; tricycles (other than those in the foregoing paragraph) and vehicles (other than mowing machines) with more than three wheels, being tricycles and vehicles neither constructed nor adapted for use nor used for the carriage of a driver or passenger	10.00
3. Bicycles and tricycles not in the foregoing paragraphs	20.00

II

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 2

Description of vehicle	Rate of duty
	£
Hackney carriages	25.00 with an additional 50p for each person above 20 (excluding the driver) for which the vehicle has seating capacity.

III

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 3

1. Description of vehicle	Weight unladen of vehicle		Rate of duty	
	2. Exceeding	3. Not exceeding	4. Initial	5. Additional for each ton or part of a ton in excess of the weight in column 2
1. Agricultural machines; digging	—	—	£ 8.50	£ —

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

1.	Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each ton or part of a ton in excess of the weight in column 2
machines; mobile cranes; works trucks; mowing machines; fishermen's tractors.				
2. Haulage vehicles, being showmen's vehicles.	—	7 ¼ tons	84.00	—
	7 ¼ tons	8 tons	101.00	—
	8 tons	10 tons	118.00	—
	10 tons	—	118.00	18.00
3. Haulage vehicles, not being showmen's vehicles.	—	2 tons	90.00	—
	2 tons	4 tons	160.00	—
	4 tons	6 tons	230.00	—
	6 tons	7 ¼ tons	300.00	—
	7 ¼ tons	8 tons	370.00	—
	8 tons	—	370.00	80.00

IV

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 4

TABLES SHOWING ANNUAL RATES OF DUTY ON GOODS VEHICLES

Table A

GENERAL RATES OF DUTY

1.	Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each $\frac{1}{4}$ ton or part of a $\frac{1}{4}$ ton in excess of the weight in column 2
			£	£
1. Farmers' goods vehicles	—	12 cwt	30.00	—
	12 cwt	16 cwt	32.00	—
	16 cwt	1 ton	35.00	—
	1 ton	3 tons	35.00	4.00
	3 tons	6 tons	67.00	2.00
	6 tons	8 tons	91.00	1.00
	8 tons	—	99.00	2.00
2. Showmen's goods vehicles; electrically propelled goods vehicles (other than farmers' goods vehicles); tower wagons.	—	12 cwt	38.00	—
	12 cwt	16 cwt	40.00	—
	16 cwt	1 ton	43.00	—
	1 ton	6 tons	43.00	3.00
	6 tons	10 tons	103.00	4.00
3. Goods vehicles not included in any of the foregoing provisions of this Part.	10 tons	—	167.00	5.00
	—	16 cwt	50.00	—
	16 cwt	1 ton	56.00	—
	1 ton	3 tons	56.00	10.00
	3 tons	4 tons	136.00	16.00
	4 tons	6 tons	200.00	21.00
	6 tons	10 tons	368.00	24.00
10 tons	—	752.00	28.00	

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

Table B

RATES OF DUTY ON GOODS VEHICLES USED FOR DRAWING TRAILERS

1. Description of vehicle	Weight unladen of vehicle		4. Rate of duty
	2. Exceeding	3. Not exceeding	
		£	£
1. Showmen's goods vehicles	—	—	30.00
2. Other goods vehicles	—	1 ½ tons	30.00
	1 ½ tons	3 tons	40.00
	3 tons	4 tons	67.00
	4 tons	6 tons	90.00
	6 tons	—	112.00

V

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 5

Description of vehicle	Rate of duty
	£
1. Electrically propelled	36.00
2. Not electrically propelled—	
(a) if first registered under the Roads Act 1920 before 1st January 1947, or which, if its first registration for taxation purposes had been effected in Northern Ireland would have been so first registered as aforesaid under the Act as in force in Northern Ireland—	
(i) not exceeding 6 horse-power	30.00
(ii) exceeding 6 horse-power, but not exceeding 9 horse-power—for each unit or part of a unit of horse-power	5.00
(b) other vehicles	50.00

SCHEDULE 6

Section 14.

VALUE ADDED TAX

PART I

SUBSTANTIVE AMENDMENTS OF FINANCE ACT 1972 (C. 41), PART I

1 For sections 2 to 6 of the 1972 Act (scope of tax, deduction of input tax, taxable persons, supply and self-supply) the following sections shall be substituted—

“2 Scope of Tax

- (1) Tax shall be charged on any supply of goods or services made in the United Kingdom, where it is a taxable supply made by a taxable person in the course or furtherance of any business carried on by him.
- (2) A person who makes or intends to make taxable supplies is a taxable person while he is or is required to be registered under this Part of this Act; and a taxable supply is a supply of goods or services made in the United Kingdom, other than an exempt supply.
- (3) Tax on any supply of goods or services is a liability of the person making the supply and (subject to provisions about accounting and payment) becomes due at the time of supply.
- (4) Tax on the importation of goods shall be charged and payable as if it were a duty of customs.
- (5) Schedule 1 to this Act has effect with respect to registration.

3 Credit for input tax against output tax.

- (1) A taxable person shall, in respect of supplies made by him, account for and pay tax by reference to such periods ("prescribed accounting periods"), at such time and in such manner as may be determined by or under regulations.
- (2) Subject to the provisions of this section, he is entitled at the end of each such period to credit for so much of his input tax as is allowable under section 4 below, and then to deduct that amount from any output tax that is due from him.
- (3) Subject to subsection (4), "input tax", in relation to a taxable person, means the following tax, that is to say—
 - (a) tax on the supply to him of any goods or services ; and
 - (b) tax paid or payable by him on the importation of any goods, being (in either case) goods or services used or to be used for the purpose of any business carried on or to be carried on by him; and "output tax" means tax on supplies which he makes.
- (4) Where goods or services supplied to a taxable person, or goods imported by him, are used or to be used partly for the purposes of a business carried on or to be carried on by him and partly for other purposes, tax on supplies

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

and importations is apportioned so that only so much as is referable to his business purposes is counted as his input tax.

- (5) If either no output tax is due at the end of the period, or the amount of the credit exceeds that of the tax, then the amount of the credit or, as the case may be, the amount of the excess shall be paid to the taxable person by the Commissioners.
- (6) But the whole or any part of the credit may, subject to and in accordance with regulations, be held over to be credited in and for a subsequent period ; and the regulations may allow for it to be so held over either on the taxable person's own application or in accordance with general or special directions given by the Commissioners from time to time.
- (7) No deduction shall be made under subsection (2), nor shall any payment be made under subsection (5), except on a claim made in such manner and at such time as may be determined by or under regulations; and, in the case of a person who has made no taxable supplies in the period concerned or any previous period, payment under subsection (5) shall be made subject to such conditions (if any) as the Commissioners think fit to impose, including conditions as to repayment in specified circumstances.
- (8) Regulations may provide—
- (a) for tax on the supply of goods or services to a taxable person, or paid or payable by him on the importation of goods, to be treated as his input tax only if and to the extent that the charge to tax is evidenced and quantified by reference to such documents as may be specified in the regulations or the Commissioners may direct either generally or in particular cases or classes of cases;
 - (b) for a taxable person to count as his input tax, in such circumstances, to such extent and subject to such conditions as may be prescribed, tax on the supply to him, or paid by him on the importation, of goods notwithstanding that he was not a taxable person at the time of the supply or payment;
 - (c) in the case of a person who has been, but is no longer, a taxable person, for him to be paid by the Commissioners the amount of any tax on a supply of services made to him for the purposes of the business carried on by him when he was a taxable person.
- (9) The Treasury may by order provide, in relation to such supplies and importations as the order may specify, that tax charged on them is to be excluded from any credit under this section ; and—
- (a) any such provision may be framed by reference to the description of goods or services supplied or goods imported, the person by whom they are supplied or imported or to whom they are supplied, the purposes for which they are supplied or imported, or any circumstances whatsoever ; and
 - (b) such an order may contain provision for consequential relief from output tax.

4 Input tax allowable under section 3.

- (1) The amount of input tax for which a taxable person is entitled to credit at the end of any period shall be determined as follows—

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

- (a) if his business is such that all his supplies are taxable supplies, there is allowable the whole of the input tax for the period (that is, input tax on supplies and importations in the period);
 - (b) if it is such that some but not all of his supplies are taxable supplies, there is allowable such proportion of the input tax for the period as, in accordance with regulations, is attributable to taxable supplies ; and
 - (c) if he has made no taxable supplies in that or any previous period of the business, there is allowable such proportion of the input tax for the period as the Commissioners consider in all the circumstances to be fair and reasonable.
- (2) Regulations may provide for treating all supplies of goods or services by any person as taxable supplies—
- (a) where the tax attributable to exempt supplies would be less than such amount, or less than such part of the whole of the input tax, as may be prescribed ; or
 - (b) in other prescribed circumstances.
- (3) The Commissioners shall make regulations for securing a fair and reasonable attribution of input tax to taxable supplies, and any such regulations may provide for—
- (a) determining a proportion of supplies in any prescribed accounting period which is to be taken as consisting of taxable supplies and provisionally attributing the input tax for that period in accordance with the proportion so determined;
 - (b) adjusting, in accordance with a proportion determined in like manner for any longer period comprising two or more prescribed accounting periods or parts thereof, the provisional attribution for any of those periods ; and
 - (c) dispensing with an adjustment where the amounts allowable for any such longer period in accordance with provisional and adjusted attributions do not differ by more than—
 - (i) an amount equal to such percentage (not exceeding 10 per cent.) of the input tax for that period as may be specified in the regulations ; or
 - (ii) such an amount (not exceeding £10) as may be so specified, whichever is the greater.
- (4) Regulations under subsection (3) may make different provision for different circumstances and, in particular (but without prejudice to the generality of that subsection) for different descriptions of goods or services ; and may contain such incidental and supplementary provisions as appear to the Commissioners necessary or expedient.

5 Repayment of tax to those in business overseas.

- (1) The Commissioners may, by means of a scheme embodied in regulations, provide for the repayment, to persons to whom this section applies, of tax on supplies to them in the United Kingdom which would be input tax of theirs if they were taxable persons in the United Kingdom.

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

- (2) This section—
- (a) applies to persons carrying on business in a member State other than the United Kingdom, and
 - (b) shall apply also to persons carrying on business in other countries, if, pursuant to any Community Directive, rules are adopted by the Council of the Communities about refunds of tax to persons established elsewhere than in the member States,
- but does not apply to persons carrying on business in the United Kingdom.
- (3) Repayment shall be made in such cases only, and subject to such conditions, as the scheme may prescribe (being conditions specified in the regulations or imposed by the Commissioners either generally or in particular cases); and the scheme may provide—
- (a) for claims and repayments to be made only through agents in the United Kingdom ;
 - (b) either generally or for specified purposes—
 - (i) for the agents to be treated under this Act as if they were taxable persons ; and
 - (ii) for treating claims as if they were returns under this Act and repayments as if they were repayments of input tax ; and
 - (c) for generally regulating the methods by which the amount of any repayment is to be determined and the repayment is to be made.

6 Meaning of "supply": alteration by Treasury order.

- (1) Schedule 2 to this Act applies for determining what is, or is to be treated as, a supply of goods or a supply of services.
- (2) Subject to any provision made by that Schedule and to Treasury orders under subsections (3) to (6) below—
- (a) " supply " in this Part of this Act includes all forms of supply, but not anything done otherwise than for a consideration;
 - (b) anything which is not a supply of goods but is done for a consideration (including, if so done, the granting, assignment or surrender of any right) is a supply of services.
- (3) The Treasury may by order provide with respect to any description of transaction—
- (a) that it is to be treated as a supply of goods and not as a supply of services ; or
 - (b) that it is to be treated as a supply of services and not as a supply of goods ; or
 - (c) that it is to be treated as neither a supply of goods nor a supply of services ;

and without prejudice to the foregoing, such an order may provide that paragraph 5(3) of Schedule 2 to this Act is not to apply, in relation to goods of any prescribed description used or made available for use in prescribed circumstances, so as to make that a supply of services under that sub-paragraph.

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

- (4) Without prejudice to subsection (3) above, the Treasury may by order make provision for securing, with respect to services of any description specified in the order, that where—
- (a) a person carrying on a business does anything which is not a supply of services only because not done for a consideration, and would (if so done) be a supply of services of a description specified in the order ; and
 - (b) such other conditions as may be specified in the order are satisfied ;
- such services are treated for the purposes of this Part of this Act as being supplied by him in the course or furtherance of that business.
- (5) The Treasury may by order make provision for securing, subject to any exceptions provided for by or under the order, that where in such circumstances as may be specified in the order goods of a description so specified are acquired or produced by a person in the course or furtherance of a business carried on by him and—
- (a) are neither supplied to another person nor incorporated in other goods produced in the course or furtherance of that business ; but
 - (b) are used by him for the purpose of a business carried on by him ;
- the goods are treated for the purposes of this Part of this Act as being both supplied to him for the purpose of that business and supplied by him in the course or furtherance of it.
- (6) The Treasury may by order make provision for securing, with respect to services of any description specified in the order, that where—
- (a) a person, in the course or furtherance of a business carried on by him, does anything for the purpose of that business which is not a supply of services but would, if done for a consideration, be a supply of services of a description specified in the order ; and
 - (b) such other conditions as may be specified in the order are satisfied ;
- such services are treated for the purposes of this Part of this Act as being both supplied to him for the purpose of that business and supplied by him in the course or furtherance of it.
- (7) For the purposes of this section, where goods are manufactured or produced from any other goods those other goods shall be treated as incorporated in the first-mentioned goods.
- (8) An order under subsection (4) or (6) above may provide for the method by which the value of any supply of services which is treated as taking place by virtue of the order is to be calculated.”

2 In section 7 of the 1972 Act (time of supply) the following shall be substituted for subsections (7) and (8)—

- “(7) Where goods are treated as supplied by an order under section 6(5), the supply is treated as taking place when they are appropriated to the use mentioned in that subsection.
- (7A) Where there is a supply of goods by virtue only of paragraph 5(2) of Schedule 2 to this Act, the supply is treated as taking place when the goods are transferred or disposed of as mentioned in that sub-paragraph.

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

(7B) Where there is a supply of services by virtue only of paragraph 5(3) of Schedule 2, the supply is treated as taking place when the goods are appropriated to the use mentioned in that sub-paragraph.

(8) The Commissioners may by regulations make provision with respect to the time at which (notwithstanding subsections (1) to (6) and (7) to (7B) above) a supply is to be treated as taking place in cases where it is a supply—

(a) of goods or services for a consideration the whole or part of which is determined or payable periodically, or from time to time, or at the end of any period ; or

(b) of goods for a consideration the whole or part of which is determined at the time when the goods are appropriated for any purpose;

or where there is a supply of services by virtue of paragraph 5(3) of Schedule 2 or an order under section 6(4) ; and the regulations may, for any such case as is mentioned above in this subsection, provide for goods or services to be treated as separately and successively supplied, at prescribed times or intervals.”

3 In section 8 of the 1972 Act (place of supply) the words " or services" in subsection (1), and subsections (4) to (7), shall be omitted ; and after that section there shall be inserted—

“8A Place of supply (services).

(1) A supply of services is treated as made—

(a) in the United Kingdom if the supplier belongs in the United Kingdom ; and

(b) in another country (and not in the United Kingdom), if the supplier belongs in that other country;

and the following subsections apply for determining, in relation to any supply of services, whether the supplier or, as the case may be, the recipient belongs in one country or another.

(2) If the supply is made to an individual in his private capacity (meaning that it is received otherwise than for the purposes of any business carried on by him), he is treated as belonging in whatever country he has his usual place of residence.

(3) Otherwise, a person is treated as belonging in a country if—

(a) he has there a business establishment or some other fixed establishment and no such establishment elsewhere ; or

(b) he has no such establishment (there or elsewhere) but his usual place of residence is there; or

(c) he has such establishments both in that country and elsewhere, and he is the supplier of the services, and the establishment of his which is most directly concerned with the supply is there ; or

(d) he has such establishments both in that country and elsewhere, and he is the recipient of the services, and the establishment of his at which, or for the purposes of which, the services are most directly used or to be used is in that country.

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

- (4) For the purposes of subsections (2) and (3) above (but not for any other purposes)—
- (a) a person carrying on a business through a branch or agency in any country is treated as having a business establishment there ; and
 - (b) " usual place of residence ", in relation to a body corporate, means the place where it is legally constituted.
- (5) The Treasury may by order provide, in relation to services generally or to particular services specified in the order, for varying the rules for determining where a supply of services is made.

8B Reverse charge on supplies received from abroad.

- (1) The following applies where—
- (a) services of any of the descriptions specified in Schedule 2A to this Act are supplied by a person who belongs in a country other than the United Kingdom ; and
 - (b) they are received by a taxable person for the purposes of any business carried on by him, and he belongs in the United Kingdom.
- (2) All the same consequences follow under this Part of this Act (and particularly so much as charges tax on a supply and entitles a taxable person to credit for input tax) as if the taxable person had himself supplied the services in the United Kingdom in the course or furtherance of his business, and that supply were a taxable supply.
- (3) But subsection (2) does not operate where the services are within any of the descriptions specified in Schedule 5 to this Act (exemptions); and supplies which are treated as made by a taxable person under that subsection are not to be taken into account as supplies made by him, when determining the allowance of input tax in his case under section 4(1).
- (4) In applying subsection (2), the supply of services treated as made by the taxable person is assumed to have been made—
- (a) for whatever consideration the services were in fact supplied to him ; and
 - (b) at a time to be determined in accordance with regulations prescribing rules for attributing a time of supply in cases within that subsection.
- (5) The Treasury may by order add to, or vary, Schedule 2A.”

4 For section 11 of the 1972 Act (valuation of imported goods) the following shall be substituted—

“11 Value of imported goods.

- (1) For the purposes of this Part of this Act, the value of imported goods shall be determined as follows.
- (2) If the goods are imported at a price in money payable as on a transfer of the property, there being no other consideration, the value is an amount equal to the price, plus (so far as not already included)—

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

- (a) all taxes, duties and other charges levied either outside or, by reason of importation, within the United Kingdom (except value added tax); and
 - (b) all costs by way of commission, packing, transport and insurance up to the port or place of importation.
- (3) Where subsection (2) does not apply, the value of the goods is their open market value as determined in accordance with Community legislation relating to the valuation of goods for customs purposes, plus (so far as not already included in that value) all such taxes, duties, charges and costs as are specified in subsection (2)(a) and (b).
- (4) This section has effect subject to Schedule 3 to this Act.”
- 5 In section 12 of the 1972 Act (zero-rating), after subsection (7) there shall be inserted—
- “(7A) Regulations may provide for the zero-rating of a supply of services which is made where goods are let on hire and the Commissioners are satisfied that the goods have been or are to be exported during the period of the letting, and such other conditions, if any, as may be specified in the regulations or the Commissioners may impose are fulfilled.”.
- 6 In section 13 of the 1972 Act (exemptions), there shall be added at the end of subsection (2)—
- “and the Schedule may be varied so as to describe a supply of goods by reference to the use which has been made of them or to other matters unrelated to the characteristics of the goods themselves”.
- 7 In section 16(3) of the 1972 Act (power to remit or repay tax on importation of goods) the words from " to the tax chargeable " to the end shall become paragraph (a), and at the end there shall be added—
- “(b) to any value added tax which may have become chargeable in another member State in respect of the goods.”
- 8 In section 17 of the 1972 Act (application of customs enactments for the purposes of VAT)—
- (a) in subsection (2) (certain provisions of Customs and Excise Act 1952 not to apply), after paragraph (d), there shall be inserted—
 - “(dd) section 258(1) (valuation of goods imported)”;
 - (b) subsection (3) shall be omitted.
- 9 In section 30 of the 1972 Act (accounting for, and payment of, tax), subsection (1) shall be omitted and after subsection (2) there shall be inserted—
- “(2A) The regulations may, where they require a tax invoice to be provided in connection with any description of supply, require it to be provided within a prescribed time after the supply is treated as taking place, and may allow for that time to be extended in accordance with general or special directions given by the Commissioners”.
- 10 In section 33 of the 1972 Act (recovery of tax) the following shall be substituted for subsection (2)—
- “(2) Where an invoice shows a supply of goods or services as taking place with tax chargeable on it, there shall be recoverable from the person who issued

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the invoice an amount equal to that which is shown on the invoice as tax or, if the tax is not separately shown, to so much of the total amount shown as payable as is to be taken as representing tax on the supply.

(2A) Subsection (2) above applies whether or not—

- (a) the invoice is a tax invoice issued in pursuance of section 30(2) of this Act; or
- (b) the supply shown on the invoice actually takes or has taken place, or the amount shown as tax, or any amount of tax, is or was chargeable on the supply ; or
- (c) the person issuing the invoice is a taxable person ;

and any sum recoverable from a person under the subsection shall, if it is in any case tax, be recoverable as such and shall otherwise be recoverable as a debt due to the Crown.”.

11 In section 40(1) of the 1972 Act (appeal to VAT Tribunal), for paragraph (h) the following paragraph shall be substituted—

“(h) any direction under paragraph 1, 2 or 3 of Schedule 3 to this Act”.

12 In section 43 of the 1972 Act (orders, rules and regulations), in subsection (4) before the words " shall be laid " there shall be inserted " and an order under section 6(4) of this Act ".

13 For section 45 of the 1972 Act (meaning of "business" etc.) the following section shall be substituted—

“45 Meaning of business, etc.

- (1) In this Part of this Act "business" includes trade, profession or vocation.
- (2) The following (without prejudice to the generality of anything else in this Part) are deemed to be the carrying on of a business—
 - (a) the provision by a club, association or organisation (for a subscription or other consideration) of the facilities or advantages available to its members; and
 - (b) the admission, for a consideration, of persons to any premises.
- (3) Where a body has objects which are in the public domain and are of a political, religious, philanthropic, philosophical or patriotic nature, it is not to be treated as carrying on a business only because its members subscribe to it, if a subscription obtains no facility or advantage for the subscriber other than the right to participate in its management or receive reports on its activities.
- (4) Where a person, in the course or furtherance of a trade, profession or vocation, accepts any office, services supplied by him as the holder of that office are treated as supplied in the course or furtherance of the trade, profession or vocation.
- (5) Anything done in connection with the termination or intended termination of a business is treated as being done in the course or furtherance of that business.
- (6) The disposition of a business as a going concern, or of its assets or liabilities (whether or not in connection with its reorganisation or winding up), is a supply made in the course or furtherance of the business.”.

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- 14 For Schedules 2 and 3 to the 1972 Act there shall be substituted the following Schedules—

“SCHEDULE 2

Section 6.

MATTERS TO BE TREATED AS SUPPLY OF GOODS OR SERVICES

- 1 (1) Any transfer of the whole property in goods is a supply of goods ; but the transfer—
- (a) of any undivided share of the property, or
 - (b) of the possession of goods,
- is a supply of services, subject however to sub-paragraph (2) below.
- (2) If the possession of goods is transferred—
- (a) under an agreement for the sale of the goods, or
 - (b) under agreements which expressly contemplate that the property also will pass at some time in the future (determined by, or ascertainable from, the agreements but in any case not later than when the goods are fully paid for),
- it is then in either case a supply of the goods.
- 2 Where a person produces goods by applying to another person's goods a treatment or process, he is treated as supplying goods.
- 3 The supply of any form of power, heat, refrigeration or ventilation is a supply of goods.
- 4 The granting, assignment or surrender of a major interest in land is treated as a supply of goods.
- 5 (1) The following applies to things done (whether or not for a consideration) by or under the directions of a person carrying on a business.
- (2) If goods forming part of the assets of the business are transferred or disposed of so as no longer to form part of those assets, that is a supply by him of the goods ; but this does not apply to—
- (a) a gift of goods made in the course or furtherance of the business (otherwise than as one forming part of a series or succession of gifts made to the same person from time to time) where the cost to the donor is not more than £10 ;
 - (b) the gift, to an actual or potential customer of the business, of an industrial sample in a form not ordinarily available for sale to the public.
- (3) If goods held or used for the purposes of the business are put to any private use or are used, or made available to any person for use, for any purpose other than a purpose of the business, that is a supply of services.
- (4) Anything which is a supply of goods or services by virtue of sub-paragraph (2) or (3) is to be treated as made in the course or furtherance of the business (if it would not otherwise be so treated); and in the case of a business carried on by an individual—
- (a) sub-paragraph (2) applies to any transfer or disposition of goods in favour of himself personally ; and

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- (b) sub-paragraph (3) applies to goods used, or made available for use, by himself personally.
- 6 Where in the case of a business carried on by a taxable person, goods forming part of the assets of the business are, under any power exercisable by another person, sold by the other in or towards satisfaction of a debt owed by the taxable person, they shall be deemed to be supplied by the taxable person in the course or furtherance of his business.
- 7 Where a person ceases to be a taxable person, any goods then forming part of the assets of a business carried on by him shall be deemed to be supplied by him in the course or furtherance of his business immediately before he ceases to be a taxable person, unless—
- (a) the business is transferred as a going concern to another taxable person ; or
 - (b) the business is carried on by another person who, under regulations made under section 23(3) of this Act, is treated as a taxable person; or
 - (c) the tax on the deemed supply would not be more than £50 ; or
 - (d) the taxable person can show, to the satisfaction of the Commissioners, that the goods were acquired for the business before 1st April 1973 and have not been the subject of relief under section 4 of the Finance Act 1973 (tax- or duty-paid stock held at commencement of VAT).

SCHEDULE 2A

Section 8B.

SERVICES SUPPLIED WHERE RECEIVED

- 1 Transfers and assignments of copyright, patents, licences, trademarks and similar rights.
- 2 Advertising services.
- 3 Services of consultants, engineers, consultancy bureaux, lawyers, accountants and other similar services; data processing and provision of information (but excluding from this head any services relating to land).
- 4 Acceptance of any obligation to refrain from pursuing or exercising, in whole or part, any business activity or any such rights as are referred to in paragraph 1 above.
- 5 Banking, financial and insurance services (including re-insurance, but not including the provision of safe deposit facilities).
- 6 The supply of staff.
- 7 The services rendered by one person to another in procuring for the other any of the services mentioned in paragraphs 1 to 6 above.

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SCHEDULE 3

Sections 10(6) and
11(4).

VALUATION—SPECIAL CASES

- 1 Where it appears to the Commissioners—
- (a) that a taxable person has supplied goods or services for a consideration in money the amount of which has been determined with a view to securing a reduction of liability to tax; and
 - (b) that it is likely that goods or services will be similarly supplied by him ; and
 - (c) that it is necessary for the protection of the revenue to exercise their powers under this paragraph;
- they may by notice in writing give directions to that person for securing that the value by reference to which tax is charged on any supply by him of goods or services after the giving of the notice or after such later date as may be specified therein is not less than the open market value of the supply.
- 2 Where it appears to the Commissioners—
- (a) that a person has been concerned with the importation of goods at a price in money the amount of which has been determined with a view to securing a reduction of liability to tax on importation; and
 - (b) that it is likely that there will be other importations with which he is or may be similarly concerned; and
 - (c) that it is necessary for the protection of the revenue to exercise their powers under this paragraph,
- they may by notice in writing give directions to that person for securing that, in the case of goods imported by him after the date of the notice or such later date as may be specified in it, their value for purposes of tax on importation is to be the open market value as under section 11(3), instead of the price as under section 11(2) of this Act.
- 3 Where it appears to the Commissioners—
- (a) that the whole or part of a business carried on by a taxable person consists in supplying to a number of individuals goods to be sold, whether by them or others, by retail; and
 - (b) that those individuals are not taxable persons ; and
 - (c) that it is necessary for the protection of the revenue to exercise their powers under this paragraph,
- they may by notice in writing give directions to the taxable person for securing that the value by reference to which tax is charged on any such supply by him after the giving of the notice or after such later date as may be specified therein shall be determined as if the consideration given by any such individual for the supply were equal to the price at which the goods are sold by retail.

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- 4 (1) Where goods or services are supplied for a consideration in money and on terms allowing a discount for prompt payment, the consideration shall be taken for the purposes of section 10 of this Act as reduced by the discount, whether or not payment is made in accordance with those terms.
- (2) This paragraph does not apply where the terms include any provision for payment by instalments.
- 5 (1) Where goods are imported at a price in money and on terms allowing a discount for prompt payment, the price shall be taken for the purposes of section 11(2) of this Act as reduced by the discount, whether or not payment is made in accordance with those terms.
- (2) This paragraph does not apply where the terms include any provision for payment by instalments.
- 6 Where a right to receive goods or services for an amount stated on any token, stamp or voucher is granted for a consideration, the consideration shall be disregarded for the purposes of this Part of this Act except to the extent (if any) that it exceeds that amount.
- 7 Where there is a supply of goods by virtue—
- (a) of a Treasury order under section 6(5); or
 - (b) of paragraph 5(2) of Schedule 2 (but otherwise than for a consideration); or
 - (c) of paragraph 7 of that Schedule,
- the value of the supply shall be taken to be the cost of the goods to the person making the supply.
- 8 Where there is a supply of services by virtue—
- (a) of a Treasury order under section 6(4); or
 - (b) of paragraph 5(3) of Schedule 2 (but otherwise than for a consideration);
- the value of the supply shall be taken to be the full cost to the taxable person of providing the services.
- 9 Where a supply of services consists in the provision of accommodation in a hotel, inn, boarding house or similar establishment for a period exceeding four weeks—
- (a) the value of so much of the supply as is in excess of four weeks shall be taken to be reduced to such part thereof as is attributable to facilities other than the right to occupy the accommodation ;
and
 - (b) that part shall be taken to be not less than 20 per cent.
- 10 (1) Where any sum relevant for determining value is expressed in a currency other than sterling, it is to be converted into sterling in accordance with Community rules applicable to valuation for customs purposes.
- (2) In relation to a supply of goods or services, the material time for valuation, by reference to which the appropriate exchange rate is determined under the rules, is the time of supply.

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- 11 Regulations may require that in prescribed circumstances there is to be taken into account, as constituting part of the consideration for the purposes of section 10(2) (where it would not otherwise be so taken into account) money paid in respect of the supply by persons other than those to whom the supply is made.
- 12 A direction under paragraph 1, 2 or 3 above may be varied or withdrawn by the Commissioners by a further direction given by notice in writing.”

PART II

CONSEQUENTIAL AMENDMENTS

Finance Act 1972, Part I

- 15 At the following places in the 1972 Act for the words "in the course of a business" there shall be substituted the words "in the course or furtherance of any business" —
section 15A(i), 18,19(2) (twice), 31(3), 35(2) and (4); and
Schedule 4, Group 8, Note (2)(c).
- 16 At the places in that Act specified in the first column of the following Table, the words shown in the second column are replaced by those shown in the third column—

TABLE

Section/subsection/ Schedule reference	Existing words	Substituted words
Section 12(8)	" the preceding subsection "	" subsection (7) or (7A) above "
Section 14(5)	" section 3(6)"	" section 3(9)"
Section 15(2)	" section 3 "	" section 4 "
Section 15A(1)(b)	" within the meaning of section 5(6) of this Act he would be entitled to deduct"	" he would be entitled to credit for "
Section 21(2)	" section 6 "	" section 6(5) or (6) "
Section 23(2)	" club or association "	" club, association or organisation "
Section 28(1)	" deducted "	" credited "
Section 29	" paragraph 5 "	" paragraph 6 "
Section 30(6)	" paragraph 2 "	" paragraph 6 "
Section 30(7)	" section 3(2)"	" section 3(5)"
Section 32(1)	" section 3(2)"	" section 3(5)"

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Section/subsection/ Schedule reference	Existing words	Substituted words
Section 40(1)(d)	" deducted by "	" credited to "
Section 40(4)(b)	" section 3(2)"	section 3(5)"
Section 46(1)—		
(a) in the definition of "prescribed accounting period "	" section 30(1)"	" section 3(1)"
(b) in the definition of " taxable person "	" section 4 "	" section 2(2)"

- 17 In section 15 of that Act, the following shall be substituted for subsection (5)—
 “(5) References in this section to tax chargeable do not include any tax which, by virtue of an order under section 3(9), is excluded from credit under that section.”
- 18 In section 43(4) of that Act, for paragraph (b) there shall be substituted—
 “(b) for excluding any tax from credit under section 3”.
- 19 In section 46(1) of that Act the following amendments shall be made—
- (a) after the definition of " input tax " there shall be inserted—
 “major interest ', in relation to land, means the fee simple or a tenancy for a term certain exceeding 21 years, and in relation to Scotland means—
 (a) the estate or interest of the proprietor of the dominium utile,
 or
 (b) in the case of land not held on feudal tenure, the estate or interest of the owner, or the lessee's interest under a lease for a period exceeding 21 years”;
 - (b) after the definition of "money" there shall be inserted—
 “ prescribed ' means prescribed by regulations”;
 - (c) after the definition of " quarter " there shall be inserted—
 “ regulations ' means regulations made by the Commissioners under this Part of this Act ", and”
 - (d) for the definition of "taxable supply" there shall be substituted—
 “ taxable supply ' has the meaning assigned to it by section 2(2) of this Act”.
- 20 In Schedule 1 to that Act, at the end of paragraph 14 there shall be added " and references in this Schedule to supplies are references to supplies made in the course or furtherance of a business ".

Other enactments (including subordinate legislation)

- 21 In section 258(3) of the Customs and Excise Act 1952, after the words " this section " there shall be inserted—
 “and to section 11 of the Finance Act 1972 (as substituted by section 14 of, and Part I of Schedule 6 to, the Finance Act 1977)”.

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- 22 In section 4(1) of the Finance Act 1973, for "deducted" there shall be substituted "credited".
- 23 In section 6 of that Act, an additional subsection shall be inserted as follows—
- “(2) As from 1st January 1978, the reference above to section 5(7) of the Finance Act 1972 shall be read as a reference to section 6(3) of that Act”.
- 24 In section 18(6) of the Finance (No. 2) Act 1975, for the words " section 5(3) of " there shall be substituted " paragraph 2 of Schedule 2 to ".
- 25 In section 23(3) of the Finance Act 1976, for the words " deducted as input tax under section 3(1) " there shall be substituted " credited as input tax under section 3 ".
- 26 In the Value Added Tax (Self-Supply) (No. 2) Order 1972, in Article 3 for the words " in the course of " there shall be substituted " in the course or furtherance of ".
- 27 In the Value Added Tax (Cars) Order 1972, in Article 5(1), for the words " in the course of a business " there shall be substituted " in the course or furtherance of any business ".
- 28 In any Treasury order or Commissioners' regulations made before the passing of this Act under Part I of the 1972 Act, for any reference to a provision of that Act specified in column 1 of the following Table there shall be substituted the provision of that Act specified against it in column 2.

TABLE

Old reference	New reference
Section 3(3).	Sections 3 and 4.
Section 3(6).	Section 3(9).
Section 5(7).	Section 6(3).
Schedule 2, paragraph 2.	Schedule 2, paragraph 6.

PART III

TRANSITIONAL PROVISIONS

- 29 In this Part of this Schedule " the operative date" means 1st January 1978.
- 30 Anything begun before the operative date under any provision of Part I of the 1972 Act may be continued under that Part of that Act as amended, if and in so far as that provision remains in force (whether or not in the same section or subsection of the Act).
- 31 Any reference in Part I of the 1972 Act as amended to things done, suffered or occurring in the past shall, so far as the context requires for the purpose of continuity of operation between provisions of the Act as in force before the operative date and the same or corresponding provisions in force on or after that date, be construed as including a reference to things done, suffered or occurring before that date.
- 32 Any Treasury order or Commissioners' regulations made before the operative date under powers conferred by a provision of Part I of the 1972 Act shall continue in force and have effect, as from that date, as if made under the corresponding power

conferred by Part I of the Act as amended, subject however to the exercise of any power in that Part of that Act to vary or revoke the orders or regulations.

33 References in any documents to provisions of Part I of the 1972 Act as in force before the operative date shall (if and so far as the context admits) be construed on or after that date as references to the corresponding provisions of that Part as amended.

34 The provisions of this Part of this Schedule shall not be taken as prejudicing the operation of section 38 of the Interpretation Act 1889 (effect of repeals).

SCHEDULE 7

Section 31.

EARNINGS FROM WORK DONE ABROAD

Long absences

- 1 (1) Where in any year of assessment—
- (a) the duties of an employment are performed wholly or partly outside the United Kingdom; and
 - (b) any of those duties are performed in the course of a qualifying period which falls wholly or partly in that year and consists of at least 365 days,
- then, in charging tax under Case I of Schedule E on the amount of the emoluments from that employment attributable to that period, or to so much of it as falls in that year of assessment, there shall be allowed a deduction equal to the whole of that amount.
- (2) For the purposes of this paragraph a qualifying period is a period of consecutive days which either—
- (a) consists entirely of days of absence from the United Kingdom; or
 - (b) consists partly of such days and partly of days included by virtue of sub-paragraph (3) below.
- (3) Where, in the case of any person, a period consisting entirely of days of absence from the United Kingdom (" the relevant period ") comes to an end and there have previously been one or more qualifying periods, the relevant period and the (or, if more than one, the last) qualifying period together with the intervening days between those periods shall be treated as a single qualifying period provided that—
- (a) there are no more than 62 intervening days ; and
 - (b) the number of days in the resulting period which are not days of absence from the United Kingdom does not exceed one-sixth of the total number of days in that period.
- (4) For the purposes of sub-paragraph (1) above the emoluments from an employment attributable to a qualifying period include any emoluments from that employment for a period of leave immediately following that period but not so as to make any emoluments for one year of assessment emoluments for another.
- (5) In relation to the year 1977-78 references in sub-paragraphs (1) and (4) above to a qualifying period include references to any period beginning before and ending after the commencement of that year which—

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- (a) is a continuous period of absence from the United Kingdom as defined in paragraph 2 of Schedule 2 to the Finance Act 1974 ; and
- (b) so far as it falls after the commencement of that year, is (or is part of) a qualifying period as defined in sub-paragraph (2) above.

Shorter or intermittent absences

- 2 (1) Where in any year of assessment—
- (a) the duties of an employment are performed wholly or partly outside the United Kingdom ; and
 - (b) the number of days in that year which are qualifying days in relation to the employment (together with any which are qualifying days in relation to other employments) amounts to at least 30,
- then, in charging tax under Case I of Schedule E on the amount of the emoluments from the employment attributable to duties performed outside the United Kingdom in that year, there shall be allowed a deduction equal to one-quarter of that amount.
- (2) For the purposes of this paragraph a qualifying day in relation to an employment is a day of absence from the United Kingdom—
- (a) which is substantially devoted to the performance outside the United Kingdom of the duties of that employment or of that and other employments ; or
 - (b) which is one of at least seven consecutive days on which the person concerned is absent from the United Kingdom for the purpose of the performance of such duties outside the United Kingdom and which (taken as a whole) are substantially devoted to the performance of such duties as aforesaid ; or
 - (c) on which the person concerned is travelling in or for the purpose of the performance of such duties outside the United Kingdom.

Foreign employments

- 3 Where in any year of assessment—
- (a) the duties of an employment are performed wholly outside the United Kingdom ; and
 - (b) the employment is with a person, body of persons or partnership resident outside, and not resident in, the United Kingdom,
- then, in charging tax under Case I of Schedule E on the amount of the emoluments from the employment for that year, there shall be allowed a deduction equal to one-quarter of that amount.

Emoluments eligible for relief

- 4 (1) This paragraph has effect where a deduction falls to be allowed under the foregoing provisions of this Schedule in respect of the emoluments from an employment (" the relevant employment") for a year of assessment in which the duties of—
- (a) the relevant employment; or
 - (b) any other employment or employments held by the person concerned which are associated with the relevant employment,
- are not performed wholly outside the United Kingdom.

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- (2) The amount of the emoluments from the relevant employment in respect of which a deduction is allowed under paragraph 1 above for the year of assessment shall not exceed such proportion of the emoluments for that year from the relevant employment and the other employment or employments (if any) as is shown to be reasonable having regard to the nature of and time devoted to the duties performed outside and in the United Kingdom respectively and to all other relevant circumstances.
- (3) The amount of the emoluments from the relevant employment in respect of which a deduction is allowed under paragraph 2 or 3 above for the year of assessment shall not exceed—
- (a) the prescribed proportion of the emoluments for that year from the relevant employment and the other employment or employments (if any) ; or
 - (b) such larger proportion of those emoluments as is shown to be reasonable having regard to the matters mentioned in sub-paragraph (2) above.
- (4) In sub-paragraph (3)(a) above "the prescribed proportion" means the proportion which—
- (a) the number of days in the year of assessment which are shown to be qualifying days (as denned in paragraph 2(2) above) in relation to the relevant employment, bears to
 - (b) 365, or if there is a part of the year of assessment in which he holds neither the relevant employment nor any employment associated with it, 365 less the number of days in that part;
- and where a day is a qualifying day in relation both to the relevant employment and one or more other employments that day shall, for the purposes of paragraph (a) above, count in relation to the relevant employment as the fraction arrived at by dividing the day equally between the different employments.
- (5) For the purposes of this paragraph an employment is associated with another if they are with the same person or with persons associated with each other and—
- (a) a company is associated with another company if one of them has control of the other within the meaning of section 302 of the Taxes Act or both of them are under the control within the meaning of that section of the same person or persons;
 - (b) an individual or partnership is associated with another person (whether or not a company) if one of them has control of the other within the meaning of section 534 of that Act or both are under the control within the meaning of that section of the same person or persons;

but paragraph (b) above shall not be construed as requiring an individual to be treated in any circumstances as under the control of another person.

- 5 Paragraph 5 of Schedule 2 to the Finance Act 1974 (deductions from emoluments eligible for relief under that Schedule) shall apply also for the purposes of this Schedule.

Supplementary

- 6 For the purposes of this Schedule a person shall not be regarded as absent from the United Kingdom on any day unless he is so absent at the end of it.
- 7 Notwithstanding section 184(3)(b) of the Taxes Act (duties performed on vessels and aircraft), there shall be treated for the purposes of this Schedule as performed

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outside the United Kingdom any duties which a person performs on a vessel or aircraft engaged on—

- (a) a voyage or journey beginning or ending outside the United Kingdom (but exclusive of any part of it which begins and ends in the United Kingdom); or
- (b) any part beginning or ending outside the United Kingdom of a voyage or journey which begins and ends in the United Kingdom ;

and for the purposes of this paragraph any area designated under section 1(7) of the Continental Shelf Act 1964 shall be treated as part of the United Kingdom.

8 Where an employment is in substance one the duties of which fall in the year of assessment to be performed in the United Kingdom, then, for the purposes of paragraph 1 above, there shall be treated as so performed any duties performed outside the United Kingdom the performance of which is merely incidental to the performance of the other duties in the United Kingdom.

9 Section 184(2) of the Taxes Act (performance in the United Kingdom of duties incidental to duties performed abroad) shall not be construed as affecting any question under paragraph 1 or 2 above where any duties are performed or whether a person is absent from the United Kingdom.

10 The same day may be taken into account for the purposes of both paragraphs 1 and 2 above but a deduction shall not be allowed in respect of the same emoluments under both those paragraphs or under either of them as well as paragraph 3 above.

11 In this Schedule references to an employment include references to an office.

SCHEDULE 8

Sections 35 and 36.

EMPLOYEES' BENEFITS AND INTEREST RELIEF: CONSEQUENTIAL AMENDMENTS

PART I

EMPLOYEES' BENEFITS

Taxes Management Act 1970 (c. 9)

1 In section 15(7) of the Taxes Management Act 1970 (employers required to state whether employees have received benefits) for the words " or sections 61 to 68 of the Finance Act 1976 " there shall be substituted the words " sections 61 to 68 of the Finance Act 1976 or section 33 of the Finance Act 1977 ".

Income and Corporation Taxes Act 1970 (c. 10)

2 Section 185 of the Taxes Act (accommodation occupied by holder of office or employment) is repealed.

3 (1) Section 194 of that Act (expenditure and houses of ministers of religion) shall be amended as follows.

(2) For subsection (1) (occupation by clergymen treated as representative occupation) there shall be substituted the following subsection—

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- “(1) This section applies where an interest in any premises belongs to a charity or any ecclesiastical corporation and (in right of that interest)—
- (a) the persons from time to time holding any full-time office as clergyman or minister of any religious denomination, or
 - (b) any particular person holding such an office,
- have or has a residence in those premises from which to perform the duties of the office.”.
- (3) In subsection (2) (exemptions for expenditure connected with such occupation), for the words from the beginning to " then " there shall be substituted the words " In the case of such a clergyman or minister ";
- and at the beginning of paragraph (c) there shall be inserted the words " unless he is in director's or higher paid employment (as denned in Chapter II of Part III of the Finance Act 1976). "

Finance Act 1973 (c. 51)

- 4 In section 43 of the Finance Act 1973 (occupation of Chevening House), for the words " section 185 of the Taxes Act" there shall be substituted the words " section 33 of the Finance Act 1977 ".

Finance Act 1976 (c. 40)

- 5 In section 61 of the Finance Act 1976, at the beginning of subsection (1) (provision charging benefits) there shall be inserted " Subject to section 63A " ; and in subsection (2) (benefits subject to charge under the section), for the words "living or other accommodation " there shall be substituted " accommodation (other than living accommodation) ".
- 6 In section 62 of that Act, for subsections (4) and (5) (exclusion of certain representative living accommodation from treatment as taxable benefit) there shall be substituted the following subsection:—
- “(4) Where living accommodation is provided by reason of a person's employment—
- (a) alterations and additions to the premises concerned which are of a structural nature, and
 - (b) repairs to the premises of a kind which, if the premises were let under a lease to which section 32 of the Housing Act 1961 (repairing obligations) applies, would be the obligation of the lessor under the covenants implied by subsection (1) of that section,
- are not benefits to which section 61 applies”.
- 7 In section 63 of that Act (cash equivalent of benefits charged under section 61), subsection (7) shall be omitted.

PART II

AMENDMENT OF *FINANCE ACT 1974 (C.30)* SCHEDULE 1 PART II

- 8 (1) Paragraph 5 of the Schedule shall be amended as follows.

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

- (2) In sub-paragraph (1) and sub-paragraph (2)(a), after "paragraph 4(1)(a)" there shall be inserted " or paragraph 4A(1) ".
- (3) In sub-paragraph (3), after paragraph (c) there shall be inserted " or if that other person falls within paragraphs (b) and (c) above and is by virtue of paragraph 4A above entitled to claim relief under section 75 of the Finance Act 1972 in respect of that part of the interest ".
- 9 In paragraph 7 of the Schedule, after " where " there shall be inserted " it is eligible only because ".
- 10 For paragraph 8 of the Schedule there shall be substituted the following—
- “8 (1) Where any interest paid by persons as the personal representatives of a deceased person or as trustees of a settlement made by his will would, on the assumptions required by this paragraph, be eligible for relief under section 75 of the Finance Act 1972 by virtue of Part I of Schedule 9 to that Act and, in a case where sub-paragraph (3) below applies, one of the conditions in sub-paragraph (4) below is satisfied, that interest shall be so eligible notwithstanding the preceding provisions of this Part of this Schedule.
- (2) For the purposes of sub-paragraph (1) above it shall be assumed that the deceased would have survived and been the borrower.
- (3) If, at his death—
- (a) the land, caravan, or house boat concerned was used as his only or main residence, or
- (b) it was used by him as a residence or was intended to be used in due course as his only or main residence and, in either case, he resided in job-related living accommodation,
- it shall be assumed for the purposes of sub-paragraph (1) above that that would have continued to be the case.
- (4) The conditions referred to in sub-paragraph (1) above are—
- (a) that, at the time the interest is paid, the land, caravan or house boat concerned is used as the only or main residence of the deceased's widow or widower or of any dependant relative of the deceased ;
- (b) that, at that time, it is used by the deceased's widow or widower as a residence or is intended to be used in due course as his or her only or main residence and, in either case, he or she resides in job-related living accommodation.
- (5) In this paragraph ' personal representatives ' has the meaning assigned to it by section 432 of the Taxes Act; and sub-paragraphs (3) to (6) of paragraph 4A above apply in relation to this paragraph as they do to that”.

SCHEDULE 9

Section 59.

REPEALS

PART I

CUSTOMS AND EXCISE

Chapter	Short Title	Extent of Repeal
15 & 16 Geo. 6 & 1 Eliz. 2. c.44.	The Customs and Excise Act 1952.	In section 255A the words " for securing that the goods will be so used or otherwise "
6 & 7 Eliz. 2. c. 6.	The Import Duties Act 1958.	Section 9. Section 10(2). In section 11(5) the words " and nine " In section 15(1) the definition of "registered shipbuilding yard " In Schedule 3, paragraphs 1,2, 3, 6,7,9, 10 and 11. Schedule 5.
7 & 8 Eliz. 2. c 58.	The Finance Act 1959.	Section 9.
1964 c. 28.	The Agriculture and Horticulture Act 1964.	In the Schedule, paragraph 1(3)(b).
1965 c. 25.	The Finance Act 1965.	Section 2(5).
1971 c. 68.	The Finance Act 1971.	Section 1(4). Section 2.
1975 c. 45.	The Finance (No. 2) Act 1975.	Section 5(2) and (3). Section 6(2) and (3). Schedules 1 and 2.
1976 c. 40.	The Finance Act 1976.	Section 1. Section 14(3). Section 16. Schedules 1 and 2.

1. The repeal in section 255A of the Customs and Excise Act 1952 takes effect on such day as may be appointed by regulations under section 8 of this Act.
2. The repeals in the Import Duties Act 1958 (except section 10(2)), the Finance Act 1959, the Finance Act 1965 and the Finance Act 1971 take effect on 1st July 1977.
3. The repeals in the Finance (No. 2) Act 1975 and of section 14(3) of the Finance Act 1976 take effect on 30th March 1977.

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

PART II

TOBACCO

Chapter	Short Title	Extent of Repeal
15 & 16 Geo. 6 & 1 Eliz. 2. c. 44.	The Customs and Excise Act 1952.	Part V.
1964 c. 49.	The Finance Act 1964.	Section 4. Section 8(2)(a). Schedule 5.
1966 c. 18.	The Finance Act 1966.	Section 3. In Schedule 2, in paragraph 1 the words " section 173(1) (b) (importation of tobacco)" and in paragraph 2 the words "and 173(3)" and "and tobacco ".
1967 c. 54.	The Finance Act 1967.	In section 4, in subsection (1), paragraph (d) and the word " or " before it and the words " and 175 " and in subsection (2) the words " or (d)" and the words following the semicolon.
1970 c. 24.	The Finance Act 1970.	Section 4. Section 5(a). In Schedule 2, paragraphs 1 to 4.
1973 c. 51.	The Finance Act 1973.	Section 1 so far as unrepealed. Schedule 5.
1974 c. 30.	The Finance Act 1974.	Section 1(6).
1975 c. 45.	The Finance (No. 2) Act 1975.	Section 1(6).
1976 c. 40.	The Finance Act 1976.	Section 8.
1977 c. 36.	The Finance Act 1977.	Section 1(6) and (7). Section 2(1) and (3).

The above repeals take effect on 1st January 1978 but do not affect drawback by virtue of events occurring on or before 30th June 1978.

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

PART III

VALUE ADDED TAX

Chapter	Short Title	Extent of Repeal
1972 c. 41.	The Finance Act 1972.	In section 8, in subsection (1) the words " or services"; and subsections (4) to (7). Section 17(3). Section 30(1). In Schedule 4, Group 8, Note (3).
1974 c. 30.	The Finance Act 1974.	Section 5.
1976 c. 40.	The Finance Act 1976.	Section 18. In section 19, the words " 11(b) and ". Section 20.

The above repeals take effect on 1st January 1978.

PART IV

CHILD BENEFIT ETC.

Chapter	Short Title	Extent of Repeal
1970 c. 10.	The Income and Corporation Taxes Act 1970.	In section 8(2)(b) the words before " except". Section 24(1), (3) and (4). In section 219(1), paragraph (b) together with the word "and" immediately preceding it. In section 530(2)(c) the words " family allowances and other ".
1971 c. 68.	The Finance Act 1971.	Section 15(7). Section 33(4). In Schedule 4, in paragraph (1)(b) the words

1. The repeal of section 32(2), (3)(a) and (d), (4), (5) and (6) of the Finance Act 1976 shall be deemed to have come into force on 4th April 1977.
2. The repeal of the other provisions mentioned above does not affect their operation in relation to any allowance or benefit payable in respect of a period before 4th April 1977.

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

Chapter	Short Title	Extent of Repeal
1974 c. 30.	The Finance Act 1974.	before " any payment or benefit".
1975 c. 18.	The Social Security (Consequential Provisions) Act 1975.	Section 14(6). In Schedule 2, paragraph 37.
1976 c. 40.	The Finance Act 1976.	Section 32(1), (2), (3)(a), (c) and (d), (4), (5) and (6).
<p>1. The repeal of section 32(2), (3)(a) and (d), (4), (5) and (6) of the Finance Act 1976 shall be deemed to have come into force on 4th April 1977.</p> <p>2. The repeal of the other provisions mentioned above does not affect their operation in relation to any allowance or benefit payable in respect of a period before 4th April 1977.</p>		

PART V

ANNUITIES UNDER TITHE ACTS 1936 AND 1951

Chapter	Short Title	Extent of Repeal
26 Geo. 5 & 1 Edw. 8. c. 43.	The Tithe Act 1936.	Section 3. Section 4(2)(b). Sections 10 and 11. Section 12(1). Section 13(3), (4), (7), (8), (9) and (11). Section 15. Section 16(1), (2), (3) and (7). Section 17. In section 25(2) the words " received by them on account of instalments of annuities, of the redemption of annuities and all other sums ". Section 28(1). Section 29. Section 34. In section 47, in subsection (1) the definitions of " agricultural
<p>The repeal of the above enactments takes effect on 2nd October 1977 and does not affect their operation in relation to any payment made or required to be made before that date.</p>		

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

Chapter	Short Title	Extent of Repeal
14 & 15 Geo. 6. c. 62.	The Tithe Act 1951.	land" "annuity" and " substituted annuity " and in subsection (4) the words " of any annuity ". Section 1(1) to (5) and (10). Sections 2 to 5. Section 10(6) and (9). Schedule 1.
6 & 7 Eliz. 2. c. 56.	The Finance Act 1958.	Section 38.
10 & 11 Eliz. 2. c. 44.	The Finance Act 1962.	Section 32.
1968 c. 13.	The National Loans Act 1968.	In Schedule 1, the entry relating to section 28(1) of the Tithe Act 1936.
1970 c.10.	The Income and Corporation Taxes Act 1970.	Section 66. In section 175, subsection (2) (c) and in subsection (3) the words " (c) and ". Section 248(7). In Schedule 2, paragraph 4.
1972 c. 61.	The Land Charges Act 1972.	Section 2(9).

The repeal of the above enactments takes effect on 2nd October 1977 and does not affect their operation in relation to any payment made or required to be made before that date.

PART VI

MISCELLANEOUS

Chapter	Short Title	Extent of Repeal
1965 c. 25.	The Finance Act 1965.	In Schedule 7, in paragraph 5, in sub-paragraph (1) the words " Subject to sub-paragraph (2) below " and sub-paragraph (2).
1968 c. 44.	The Finance Act 1968.	In section 55, in subsection (1) the words "

1. The repeal of section 185 of the Income and Corporation Taxes Act 1970 has effect for the year of assessment 1977-78 and subsequent years of assessment.
2. The repeal of section 13 of the Finance Act 1973 does not affect relief for any year of assessment before the year 1977-78.
3. The repeals in the Finance Act 1974 have effect for the year of assessment 1977-78 and subsequent years of assessment.
4. The repeal of section 30(1) of the Finance Act 1976 does not affect relief for any year of assessment before the year 1977-78.
5. The repeal of section 63(7) of the Finance Act 1976 has effect for the year of assessment 1977-78 and subsequent years of assessment.

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

Chapter	Short Title	Extent of Repeal
1969 c. 32.	The Finance Act 1969.	' securities ' and " and " in section 42(1) of the Exchange Control Act 1947 and " and (in paragraph (c)) the words " of the Exchange Control Act 1947, or" and "or both"; subsection (2); in subsection (3), in the definition of " prescribed the words from "(a)" to " 1964"; in subsection (4) the words " ' securities' and "; in subsection (5) the words from " (a)" to " 1964 "; and in subsection (6) the words before "this section shall apply" and the words "that Act, or as the case may be ". In Schedule 12 paragraph 9.
1970 c. 10.	The Income and Corporation Taxes Act 1970	Section 41(7). Section 185.
1971 c. 68.	The Finance Act 1971.	In section 270(4)(a) the words "(and Schedule 9 to the Finance Act 1965)". Section 271(4). In Schedule 10— paragraph 3. in paragraph 4(1) the words from "section 27(3)" to "(conversion of such stock)". in paragraph 5 the words from " or to securities " to " paragraph 4 above ". in paragraph 7(1) the words from "and for determining" to the end of paragraph 7(1).

1. The repeal of section 185 of the Income and Corporation Taxes Act 1970 has effect for the year of assessment 1977-78 and subsequent years of assessment.
2. The repeal of section 13 of the Finance Act 1973 does not affect relief for any year of assessment before the year 1977-78.
3. The repeals in the Finance Act 1974 have effect for the year of assessment 1977-78 and subsequent years of assessment.
4. The repeal of section 30(1) of the Finance Act 1976 does not affect relief for any year of assessment before the year 1977-78.
5. The repeal of section 63(7) of the Finance Act 1976 has effect for the year of assessment 1977-78 and subsequent years of assessment.

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

Chapter	Short Title	Extent of Repeal
1973 c. 51.	The Finance Act 1973.	paragraph 13. Section 13. In Schedule 16, in paragraph 7, the words from "securities of any" to " 1965 or of ".
1974 c. 30.	The Finance Act 1974.	Section 21(2). In Schedule 2, paragraphs 1 and 2.
1975 c. 7.	The Finance Act 1975.	In Schedule 9, in paragraph 5, in sub-paragraph (1) the words from " and, subject" onwards, and sub-paragraph (2).
1975 c. 45.	The Finance (No. 2) Act 1975.	Section 29.
1976 c. 40.	The Finance Act 1976.	Section 28. Section 29(1) and (4). Section 30(1). Section 63(7).

1. The repeal of section 185 of the Income and Corporation Taxes Act 1970 has effect for the year of assessment 1977-78 and subsequent years of assessment.
2. The repeal of section 13 of the Finance Act 1973 does not affect relief for any year of assessment before the year 1977-78.
3. The repeals in the Finance Act 1974 have effect for the year of assessment 1977-78 and subsequent years of assessment.
4. The repeal of section 30(1) of the Finance Act 1976 does not affect relief for any year of assessment before the year 1977-78.
5. The repeal of section 63(7) of the Finance Act 1976 has effect for the year of assessment 1977-78 and subsequent years of assessment.