



Finance Act 1964

1964 CHAPTER 49

PART I

CUSTOMS AND EXCISE

1 Spirits

- (1) There shall be charged—
 - (a) on spirits distilled, or manufactured by any other process whatsoever, in the United Kingdom a duty of excise at the, rate shown in Table 1 in Schedule 1 to this Act, and
 - (b) on spirits imported into the United Kingdom duties of customs at the rates shown in Table 1 and Table 2 in that Schedule (of which those for imported perfumed spirits as shown in Table 2 are the same as the existing rates of duties).
- (2) The rates of customs duties shown in the fourth and fifth columns of the said Table 1 apply respectively to spirits qualifying for Commonwealth preference and to spirits of Convention area origin within the meaning of the European Free Trade Association Act 1960, and the rates of customs duties in the third column of the said Table 1 apply to spirits which are not chargeable at the rates shown in the said fourth and fifth columns.
- (3) In the application to the duties charged by this section of any provision contained in the customs Acts and passed before this Act, any reference to a preferential rate shall be taken as referring only to a rate for goods qualifying for Commonwealth preference, and any reference to the full rate (where distinguished from a preferential rate) shall be taken as including any Convention rate of duty.
- (4) In the case of any mixture, compound or preparation which is recognised by the Commissioners as being used for medical purposes and which, on importation, is charged with duty under this section in respect of the spirit contained in it, or used in its preparation or manufacture, the duty under this section shall be reduced and charged—
 - (a) in the case of spirits not within paragraph 2(b) in Table 1 in Schedule 1 to this Act, at the rate of 14s. 9d. per proof gallon, and

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- (b) in the case of spirits within the said paragraph 2(b) at the rate of £1 per gallon.
- (5) On the importation of goods not for human consumption containing spirits as a part or ingredient thereof, the Commissioners may, subject to such conditions as they may think fit to impose, direct the goods to be treated for the purposes of the customs Acts, and in particular section 259 (manufactured or composite goods containing articles chargeable with customs duty) of the Act of 1952, as not containing spirits.
- (6) The duties charged by this section are instead of the duties charged at the rates set out in Schedule 1 to the Finance Act 1962.
- (7) This section, except subsection (5), shall have effect as from 15th April 1964.

2 Beer

- (1) There shall be charged—
 - (a) on beer brewed in the United Kingdom a duty of excise at the rates shown in Schedule 2 to this Act, and
 - (b) on beer imported into the United Kingdom duties of customs at the rates so shown.
- (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 or customs charged under this section has been paid, be allowed at the appropriate rate shown in the said Schedule 2.
- (3) The rates of duties of customs, and of customs drawback, shown in the fourth and fifth columns in the said Schedule 2 apply respectively to beer qualifying for Commonwealth preference and to beer of Convention area origin within the meaning of the European Free Trade Association Act 1960, and the rates of duties of customs, and of customs drawback, in the third column in the said Schedule 2 apply to beer which is not chargeable at the rates shown in the said fourth and fifth columns.
- (4) The duties charged, and the drawbacks allowed, by this section are instead of the duties charged, and the drawbacks allowed, at the rates set out in Schedule 2 to the Finance Act 1962, and instead of the customs duty and the drawbacks charged and allowed in respect of beer under section 2 of the Finance Act 1933 and section 3(3) of the Finance Act 1957 (duty on hops and additional duty of customs in respect of beer).
- (5) Black beer the worts whereof before fermentation were of a specific gravity of 1200 degrees or more shall not be charged with duty under section 1 of the Finance Act 1959 or with any duty under this section, and—
 - (a) except for the purpose of drawback of duty charged at the rates in force before the coming into force of this section, the expression "beer" in the customs and excise Acts shall not include such black beer,
 - (b) the substances to which section 164 of the Act of 1952 (penalties for mis-describing substances as beer) apply shall not include such black beer, and for the purposes of that section the name "black beer" shall not in itself be taken to be such a description as to indicate that a substance is or is a substitute for, or bears any resemblance to, beer or any description of beer,
 - (c) all references in the customs and excise Acts to black beer shall be omitted, and
 - (d) section 2 of the Finance Act 1930 (duty on imported black beer) shall cease to have effect.

In this subsection " black beer " means beer of the description called or similar to black beer, mum, spruce beer or Berlin white beer, and any other preparation, whether fermented or not, of a similar character, and in the definition of " beer " in section 307(1) of the Act of 1952 the words " black beer " shall be omitted but that shall not be taken as excluding from that definition anything other than black beer of the kind exempted from duty by this subsection.

(6) This section shall have effect as from 15th April 1964.

3 Wine and British wine

(1) There shall be charged—

- (a) on wine imported into the United Kingdom duties of customs at the rates shown in Schedule 3 to this Act, and
- (b) on British wine a duty of excise at the rates shown in Schedule 4 to this Act.

(2) The rates of customs duties shown in the third column of the said Schedule 3 apply to wine qualifying for Commonwealth preference, and the rates of customs duties in the second column of the said Schedule 3 apply to wine not so qualifying.

(3) Each of the rates specified in the said Schedule 3 to this Act for light wine which qualifies for Commonwealth preference shall be increased by one shilling for any period for which the Treasury by order so direct.

Subsections (1) to (4) of section 13 of the Import Duties Act 1958 (which relate to the making, revocation, annulment and approval of orders under that Act) shall apply in relation to orders under this subsection as they apply in relation to orders under that Act.

(4) For the purposes of this section and Schedule 3 to this Act " wine " includes the lees of wine.

(5) The duties charged by this section are instead of the duties charged at the rates set out in Schedule 3 to the Finance Act 1962.

(6) This section shall have effect as from 15th April 1964.

4 Tobacco

(1) There shall be charged—

- (a) on tobacco imported into the United Kingdom duties of customs at the rates shown in Table 1 in Schedule 5 to this Act, and
- (b) on tobacco grown in the United Kingdom duties of excise at the rates shown in Table 2 in that Schedule.

(2) Drawback under section 183 of the Act of 1952 shall, where it is shown to the satisfaction of the Commissioners that a duty of customs or excise charged under this section has been paid, be allowed at the appropriate rate shown in Table 3 in Schedule 5 to this Act.

(3) The rates of customs duties shown in the third and fourth columns of Table 1 in Schedule 5 to this Act apply respectively to tobacco qualifying for Commonwealth preference, and to tobacco of Convention area origin within the meaning of the European Free Trade Association Act 1960, and the rates of customs duties shown in

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the second column of that Table apply to tobacco which is not chargeable at the rates shown in the said third and fourth columns; and the appropriate rates of drawback are shown accordingly in Table 3 in Schedule 5 to this Act.

- (4) In subsections (2) and (3) of section 8 of the Finance Act 1919 (modifications of preferential rate) the expression " preferential rate" shall mean the Commonwealth rates of customs duty shown in Table 1 in Schedule 5 to this Act.
- (5) The duties charged, and the drawbacks allowed, by this section are instead of the duties charged, and the drawbacks allowed, at the rates set out in Schedule 4 to the Finance Act 1962.
- (6) This section shall have effect as from 15th April 1964.

5 Hydrocarbon oils: increase of excise duty

- (1) On any hydrocarbon oils produced in the United Kingdom which, on or after 1st January 1965, are delivered for home use from a refinery or from other premises used for the production of hydrocarbon oils or from any bonded storage for hydrocarbon oils, and are not chargeable with the customs duty on hydrocarbon oils, there shall be charged, in lieu of the duty under section 2 of the Finance Act 1950 (which, as amended by the Hydrocarbon Oils (Excise Duty) Order 1953, charges excise duty at a rate one shilling and threepence per gallon less than the customs duty on hydrocarbon oils), a duty of excise at the rate at which the customs duty on hydrocarbon oils is for the time being chargeable; and section 3 of the Finance Act 1950 (which charges excise duty on petrol substitutes at the same rate as that applying to hydrocarbon oils) shall have effect accordingly.
- (2) An allowance under section 206 of the Act of 1952 on hydrocarbon oils delivered to a refinery and used therein shall not be payable in respect of oils so used on or after 1st January 1965, and excise duty on those oils shall therefore not be charged under section 197(1)(c) of that Act; nor shall excise duty be charged under section 197(1)(b) thereof when oils are removed on or after that date to a refinery not primarily used for the production of hydrocarbon oils.
- (3) Nothing in the foregoing subsections shall apply to oils in respect of which the excise duty on hydrocarbon oils is charged before 1st January 1965.

6 Hydrocarbon oils: reliefs

- (1) The Commissioners of Customs and Excise may: permit hydrocarbon oil to be delivered for home use to an approved person without payment of customs or excise duty chargeable thereon where the oil—
 - (a) is to be used by him as a material, solvent, extractant, preservative or finish in the manufacture or preparation of any article, not being hydrocarbon oil or an article which in the opinion of the Commissioners should, according to its use, be classed with hydrocarbon oil; or
 - (b) is to be supplied by him in the course of a trade of supplying oil for use as such a material, solvent, extractant, preservative or finish.
- (2) Where the Commissioners are authorised to give permission under subsection (1) above in the case of any oil, but the permission is for any reason not given, the Commissioners shall, if they are satisfied that the oil has been used by an approved

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- person as mentioned in paragraph (a) of that subsection, repay to him the amount of the customs or excise duty paid thereon, less any rebate allowed in respect of the duty.
- (3) Where any imported goods contain hydrocarbon oil as a part or ingredient thereof the oil shall be disregarded in the application to the goods of section 259 (charge of duty on manufactured or composite articles) of the Act of 1952 unless in the opinion of the Commissioners they should, according to their use, be classed with hydrocarbon oil.
- (4) On light oils charged with the customs or excise duty on hydrocarbon oils and delivered for home use as furnace fuel for burning in vaporised or atomised form by an approved person there shall be allowed, at the time of delivery and according to the same quantity as that according to which that duty is charged, a rebate of duty at a rate twopence a gallon less than the rate at which the duty is charged.
- (5) The Commissioners may make regulations for any of the purposes of subsections (1), (2) and (4) above or of section 200 (denial of rebate for heavy oils to be used in road vehicles) of the Act of 1952, and in particular for the purposes specified in Part I of Schedule 6 to this Act (paragraphs 5 to 21 of which reproduce, with modifications required for the purposes of subsections (1), (2) and (4) above and other modifications of a minor nature, the provisions of paragraphs (a) to (d) of section 202(1) of the Act of 1952 and Part I of Schedule 2 to the Finance Act 1960); and—
- (a) for the purposes of the provisions of the customs and excise Acts relating to hydrocarbon oils the presence in any hydrocarbon oils of a marker which, in regulations made under this subsection, is prescribed in relation to rebated heavy oils or rebated light oils or oils delivered without payment of duty under subsection (1) above, shall be conclusive evidence that the rebate in question has been allowed on those oils or, as the case may be, that they have been so delivered ;
- (b) if any person contravenes or fails to comply with any regulation made under this subsection, he shall be liable to a penalty of three times the value of any goods in respect of which the offence was committed or one hundred pounds, whichever is the greater, and any such goods shall be liable to forfeiture.
- (6) The provisions of Part II of Schedule 6 to this Act shall have effect for amending subsections (3) and (4) (penalties for unauthorised use of rebated heavy oils) of the said section 200 ; the provisions of Part III of that Schedule shall apply for restricting the use of oils delivered without payment of duty under subsection (1) above or on which rebate has been allowed under subsection (4) above, and for the punishment of contraventions of the restrictions ; and the provisions of Part IV of that Schedule shall have effect for amending Part II (sampling of oils) of Schedule 2 to the Finance Act 1960 and applying its provisions, as so amended, to samples taken by virtue of subsection (5) above.
- (7) In the definition of "rebate " contained in section 195(1) of the Act of 1952 there shall be added at the end the words " or section 6(4) of the Finance Act 1964 ", and in paragraph 7 of Schedule 4 to the Finance Act 1961 there shall be inserted after the words " section 3 of this Act " the words " and section 6(2) of the Finance Act 1964 ".
- (8) This section shall have effect as from 1st September 1964.

7 Pool betting duty and bookmakers' licence duty

- (1) The following provisions shall have effect as regards the rates of the pool betting duty and the bookmakers' licence duty:—

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- (a) in section 1(2) of the Betting Duties Act 1963 (which provides for the rates of pool betting duty to be 10 per cent. in the case of certain totalisator bets on dog races and 33 per cent. in all other cases) for the words " 10 per cent." and " 33 per cent." there shall be substituted respectively the words " 5 per cent." and " 25 per cent." ; and
 - (b) in section 4(2) of that Act (which sets out a Table showing in the third column the standard amount in different cases of the bookmakers' licence duty) for each of the figures stated in the third column of the Table there shall be substituted a figure of half the amount.
- (2) The amount on which the pool betting duty is to be computed under section 1(2) of the Betting Duties Act 1963 shall include in addition to the stake money the expenses and profits of the promoter of the betting or any other person concerned with or benefiting from the promotion of the betting so far as they are not provided for out of the stake money and are not shown to be referable to matters other than the promotion and management of the betting and activities ancillary thereto or connected therewith, and all payments made for or on account of or in connection with any bets made by way of pool betting in addition to the stake money by the persons making the bets shall be treated as representing amounts on which duty is chargeable by virtue of this subsection except in so far as the promoter of the betting proves the contrary:

Provided that there shall be excepted from any charge to duty by virtue of this subsection the amount of any benefit accruing from the betting to a society established and conducted for charitable purposes only or to a society established and conducted wholly or mainly for the support of athletic sports or athletic games and not established or conducted for purposes of private gain, if the benefit is provided by means of payments which are made for the purpose by persons making bets and are not payments without which bets cannot be

In this subsection " society " includes any club, institution, organisation or association of persons, by whatever name called.

- (3) The bets on which the pool betting duty is charged shall include bets made at fixed odds, where they are made with a bookmaker in Great Britain by way of coupon betting, and for this purpose bets shall be deemed to be made by way of coupon betting where they are made in pursuance of an invitation which offers stated odds for a choice of bets, being bets of a description not commonly made without such an invitation, unless made by way of pool betting, and not of a description commonly made by means of a totalisator; and subject to subsection (4) below the Betting Duties Act 1963, except section 3 (which defines pool betting), shall apply in relation to bets made by way of coupon betting as if they were bets made by way of pool betting.
- (4) Where a bookmaker carries on a business which involves or may involve any sums becoming payable by him by way of the pool betting duty in respect of bets made by way of coupon betting Schedule 1 to the Betting Duties Act 1963 shall have effect subject to the following modifications:—
- (a) paragraph 2 (which requires notice to the Commissioners of a business involving liability to pool betting duty) shall not require the bookmaker to make entry of premises used for the purposes of the business in connection only with coupon betting operations, but shall require him not later than the date when he first uses any premises for the purposes of the business in connection with coupon betting operations to notify the Commissioners of those premises being so used (whether or not he is also required by paragraph 2 to make entry of them), and in relation to books, records, accounts and

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documents relating to coupon betting operations the reference in paragraph 3 to premises of which entry has been made under paragraph 2 shall have effect as a reference to premises about which the Commissioners have been so notified;

- (b) paragraph 2 shall also require the bookmaker to notify the Commissioners of the name of any person acting as his agent for receiving or negotiating bets so made or otherwise conducting coupon betting operations, and the address of any such person (including any address at which he so acts);
 - (c) paragraph 3 (which relates to the keeping and preservation of records, the furnishing of information etc.) shall apply to any person so acting as agent for a bookmaker as it applies to the bookmaker, except that in relation to such an agent any reference to premises of which entry has been made as mentioned in paragraph 2 shall have effect as a reference to an address notified under that paragraph as an address at which the agent acts, and any reference to the business of the bookmaker shall include any of the agent's activities in connection with the business; and
 - (d) in the case of a bookmaker who at the date this Act is passed is carrying on or intending to carry on such a business as aforesaid, paragraph 2 shall have effect to require him to notify the Commissioners of his doing so or intending to do so and of the matters referred to in paragraphs (a) and (b) above not later than one week after that date, unless apart from this paragraph he would be required to notify them only by a later time.
- (5) This section, so far as it relates to the pool betting duty, shall have effect as respects bets made at any time by reference to any event taking place on or after the 3rd August 1964 and, so far as it relates to the bookmakers' licence duty, as respects any licence to carry on bookmaking at a meeting held on or after that day.

8 Surcharges and rebates under s. 9 of Finance Act 1961

- (1) 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 1(1) of the Finance Act 1963 was extended until the end of August 1964) shall extend until the end of August 1965 or such later date as Parliament may hereafter determine.
- (2) For the purposes of the following provisions of this section the duties to which the said section 9 applies shall be divided into five groups, namely—
 - (a) duties of customs or excise chargeable in respect of tobacco,
 - (b) duties of customs or excise chargeable in respect of spirits (other than power methylated spirits), beer, wine and British wine,
 - (c) duties of customs or excise chargeable in respect of hydrocarbon oils, petrol substitutes and power methylated spirits,
 - (d) purchase tax,
 - (e) all other duties.
- (3) An order under the said section 9 made after the passing of this Act may apply to the duties within one or more of the said groups without applying to the duties within the remainder of those groups and may (subject to the limit of ten per cent. imposed by subsection (2) of the said section 9) prescribe a different percentage, by way of addition or deduction, as respects different groups.

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- (4) The percentage prescribed, by way of addition or deduction, as respects a group shall apply to any drawback connected with the duties within the group, but not to any drawback connected with other duties.
- (5) Neither the power conferred by subsection (3) of this section, nor that power when taken with the power of varying orders conferred by paragraph 1 of Schedule 3 to the Finance Act 1961, shall be taken as authorising the making of an order which does not apply uniformly to all the duties within one group or the making of an order the effect of which is that a percentage by way of addition is prescribed as respects one or more groups of duties, and a percentage by way of deduction is prescribed as respects some other group of duties, but this subsection shall not be taken as affecting paragraph 3 of Schedule 3 to the Finance Act 1961 (under which an order may be made so as to come into operation at different times of the day for different duties).
- (6) In the case of an order made after the passing of this Act other than an order which, as respects all or any of the groups of duties.—
- (a) prescribes a percentage by way of addition to duty, or increases a percentage so prescribed, or
 - (b) withdraws, or reduces, a percentage prescribed by way of deduction from duty,
- in reckoning the period of twenty-one days specified in paragraph 2(2) of Schedule 3 to the Finance Act 1961 (orders to cease to have effect unless approved by the Commons House), no account shall be taken of any time during which Parliament is dissolved or prorogued or during which the Commons House is adjourned for more than four days.
- (7) In this section " duty " has the same meaning as in section 9 of the Finance Act 1961 and " drawback " includes any rebate or allowance.

9 Repeal of television advertisement duty

The television advertisement duty shall not be charged in respect of any insertion of an advertisement in a television programme broadcast after the 29th July 1964, and accordingly in section 1 of and Schedule 1 to the Finance Act 1961—

- (a) references to a television programme shall not include any programme so broadcast; and
- (b) sub-paragraphs 3(1) and (2) of the Schedule (which require broadcasters to notify the Commissioners of Customs and Excise of their address, to keep records etc.) shall not have effect after the end of the year 1964.

10 Stores

- (1) Subject to section 272 of the Act of 1952 (by which goods for use in naval ships or establishments may be required to be treated as exported), any goods for use in a ship or aircraft as merchandise for sale by retail to persons carried therein shall be treated for the purposes of the customs and excise Acts as stores, and any reference in those Acts to the consumption of stores shall, in relation to goods so treated, be construed as referring to the sale thereof as aforesaid.
- (2) Section 18 of the Purchase Tax Act 1963 (which affords relief from purchase tax in respect of goods exported or being ships' stores) shall be amended as follows, that is to say:—
- (a) for the words " ships' stores " in subsection (4) there shall be substituted the words " stores for use in any ship or aircraft "; and

- (b) in that subsection, as so amended, " stores " shall include goods for use as mentioned in subsection (1) above, and any other goods being stores as defined in section 307 of the Act of 1952, and "ship " shall include any boat or other vessel whatsoever.

11 Exemption from excise duty of vehicles modified for invalids

- (1) A mechanically propelled vehicle fitted with controls enabling it to be driven by persons having a particular disability, and registered in the name of such a person under the Vehicles (Excise) Act 1962, shall not be chargeable with any duty under that Act by reason of its use by or for the purposes of that person, or by reason of its being kept for such use, where—
 - (a) he caused the controls to be fitted to the vehicle and obtained in respect of the cost thereby incurred a grant paid by the Minister of Health or (in Scotland) the Secretary of State out of moneys provided by Parliament ; or
 - (b) whether or not he caused the controls to be fitted to the vehicle, his disability is of a kind in the case of which grants in respect of the fitting of such controls are so paid;

and where regulations under section 16(3) (registration and identification of exempted vehicles) of that Act require a person to furnish particulars as to a vehicle exempted from duty by this section, they may require him to furnish in addition such evidence of the facts giving rise to the exemption as is prescribed by the regulations.

- (2) This section shall come into force on 1st September 1964.