



# Finance Act 1965

## 1965 CHAPTER 25

### PART IV

#### TAXATION OF COMPANIES AND OF COMPANY DISTRIBUTIONS.

##### *Local authorities, unit trusts and special classes of company.*

#### **66 Local authorities.**

- (1) A local authority in the United Kingdom shall after the year 1965-66 be exempt from all charge to income tax in respect of its income, and shall be exempt from corporation tax and capital gains tax, and is not included in the expression " company " as used in this Part of this Act; and this subsection shall apply to a local authority association as it applies to a local authority.
- (2) In this section " local authority " means—
  - (a) in relation to England and Wales, any authority being, within the meaning of the Local Loans Act 1875, an authority having power to levy a rate, and includes a joint board or joint committee of such authorities;
  - (b) in relation to Scotland, any county council, town council or district council, and any statutory authority, commissioners or trustees having power to levy a rate as defined in section 379 of the Local Government (Scotland) Act 1947, or to issue a requisition for payment of money to be raised out of such a rate, and includes any joint board or joint committee of such authorities appointed under any enactment, order or scheme;
  - (c) in relation to Northern Ireland, the council of any county, county or other borough, or urban or rural district, any other body of which all or substantially all the members are elected by local government electors and which is established for public local purposes and has power to raise money for those purposes by rates leviable on the basis of assessments in respect of land, and any committee or board appointed wholly or partly by a county or district council or by several such councils jointly.

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item of legislation is currently only available in its original format.*

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- (3) In subsection (2)(a) and (b) above any reference to a joint board or joint committee of such authorities as are there mentioned applies, and applies only, to a joint board or joint committee of which all the constituent members are such authorities or which, having such authorities and other bodies corporate as its constituent members, is authorised by or under any enactment to require from those authorities, but not from other constituent members, the payment of sums to meet or towards meeting the amount or estimated amount by which its revenue for any period falls short or may fall short of its expenditure for that period; and for this purpose, if a member of a joint board or joint committee is a representative of or appointed by any authority or body, that authority or body (and not he) is to be treated as a constituent member of the board or committee.
- (4) In this section " local authority association " means any incorporated or unincorporated association of which all the constituent members are local authorities, groups of local authorities or local authority associations and which has for its object or primary object the protection and furtherance of the interests in general of local authorities or any description of local authorities ; and for this purpose, if a member of an association is a representative of or appointed by any authority, group of authorities or association, that authority, group or association (and not he) is to be treated as a constituent member of the association.
- (5) In section 166 of the Income Tax Act 1952 (which restricts the operation of Chapter II of Part VI of that Act in relation to persons in employment with a local authority) for the reference to a local authority as defined for the purposes of section 171 of that Act there shall be substituted a reference to a local authority as defined in this section.