



Finance Act 1972

1972 CHAPTER 41

PART VII

MISCELLANEOUS

122 Abolition of selective employment tax

- (1) Selective employment tax shall not be payable in respect of any contribution week beginning after 1st April 1973, and, subject to the following provisions of this section—
- (a) no payment shall be made under the Selective Employment Payments Acts 1966 in respect of persons in any employment in or carried out from an establishment registered under subsection (1) of section 7 of that Act unless the application for registration was made before 1st July 1973 ; and
 - (b) no payment under the Act of 1966, section 25 of the Finance Act 1967 or section 52(3) of the Finance Act 1968 shall be made unless the claim for it was made before 1st October 1973 ; and
 - (c) no question arising in connection with a payment mentioned in paragraph (b) above shall after 1st April 1973 be referred to an industrial tribunal under paragraph (a), (b) or (c) of section 7(5) of the Act of 1966 or under paragraph 6 of Schedule 12 to the Finance Act 1967 unless the reference is required within six weeks of the time the question arises.
- (2) Where—
- (a) an employer has required the reference of a question to an industrial tribunal under paragraph (a) or (b) of section 7(5) of the Act of 1966 ; or
 - (b) an employer has duly applied for the registration of an establishment under section 7(1) of that Act but the decision on the application has been notified to him after 30th June 1973 ; or
 - (c) a charity, within the meaning of section 5 of that Act, has, before 1st July 1973, applied for a certificate under subsection (3) or (4) of that section or for registration under section 4 of the Charities Act 1960 ;

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subsection (1)(b) of this section shall not prevent the making of a payment to the employer or charity on a claim made within three months of the final determination of the question or, as the case may be, of the notification, the granting of the certificate or the registration under the Act of 1960.

- (3) Subsection (1) of this section shall not affect the payment of regional employment premiums, that is to say, of so much of any amount payable under section 1 of the Act of 1966 as exceeds the amount of tax paid, in respect of any contribution week beginning before such date as the Treasury may by order made by statutory instrument appoint; and accordingly—
- (a) payments under that section equal to the amounts of the increases specified in subsection (1) of section 26 of the Finance Act 1967 (or, where subsection (2) of that section applies, equal to one-half of the amounts so specified) shall be made in respect of any such week in the cases mentioned in the said section 26; and
 - (b) in relation to any contribution week beginning after 1st April 1973 and before the date so appointed the enactments mentioned in Schedule 27 to this Act shall have effect subject to the amendments specified in that Schedule.
- (4) An order under subsection (3) of this section may include provisions corresponding to paragraphs (a) to (c) of subsection (1) and subsection (2) of this section.
- (5) The enactments mentioned in Part VIII of Schedule 28 to this Act are hereby repealed as from 2nd April 1973 to the extent specified in the third column of that Part; and the enactments mentioned in Part IX of that Schedule are hereby repealed, to the extent specified in the third column of that Part, as from such day as the Treasury may by order made by statutory instrument appoint.
- (6) This section and Parts VIII and IX of Schedule 28 to this Act extend to Northern Ireland (except in so far as they relate to enactments which do not so extend).

123 Registered trade unions

- (1) Notwithstanding section 80 of the Industrial Relations Act 1971 and the repeals made by that Act—
- (a) no organisation which, immediately before 1st October 1971, was a registered trade union shall be treated for the purposes of section 338 of the Taxes Act (exemption of income and gains applied for the purpose of provident benefits) as having ceased to be such a trade union before the end of 5th April 1972; and
 - (b) any organisation which is for the time being entered in the provisional register maintained under the Act of 1971 shall for the purposes of section 338 of the Taxes Act and subsection (2) of this section be treated as a registered trade union.
- (2) The exemption from tax conferred by section 338 of the Taxes Act shall not extend to so much of the income or gains of a trade union registered either in Great Britain or Northern Ireland as is after 5th April 1972 applied for the purpose of provident benefits paid to persons residing in the other of those countries, unless the majority of its members reside in the country in which it is registered.

124 Payments to or by Export Credits Guarantee Department under investment insurance scheme

- (1) Any sums paid by a person to the Export Credits Guarantee Department under an agreement entered into under arrangements made by the Secretary of State in pursuance of section 1 of the Overseas Investment and Export Guarantees Act 1972 or with a view to entering into such an agreement shall be included—
- (a) in the sums to be deducted in computing for the purposes of Case I or Case II of Schedule D the profits or gains of any trade, profession or vocation carried on by that person; or
 - (b) if that person is an investment company within the meaning of section 304 of the Taxes Act or a company in the case of which that section applies by virtue of section 305 of that Act, in the sums to be deducted as expenses of management in computing the company's profits for the purposes of corporation tax;
- whether or not they would fall to be so included apart from this section.
- (2) Where, under such an agreement, any payment is made by the Exports Credits Guarantee Department in respect of any income or gains which cannot be transferred to the United Kingdom, then, to the extent of the payment,—
- (a) the income or gains shall be treated as income or gains with respect to which the conditions mentioned in section 418(2) of the Taxes Act or section 40(1) of the Finance Act 1965 (relief in respect of unremittable overseas income or gains) are not satisfied (and accordingly cannot cease to be satisfied); and
 - (b) if the payment is made in respect of income arising from investments of the foreign life assurance fund, within the meaning of section 315 of the Taxes Act, of an insurance company that section shall apply in relation to the income as if it had been received in the United Kingdom (and accordingly cannot be received again in the United Kingdom).

125 Reduction of stamp duty on conveyances and leases

- (1) In subsection (1) of section 55 of, and in Part I of Schedule 11 to, the Finance Act 1963 (under which, as amended by section 27(1) of the Finance Act 1967 and paragraph 10 of Schedule 7 to the Finance Act 1970, duty is not chargeable on conveyances or transfers certified at £5,500 and is chargeable at a reduced rate on those certified at £7,000), for " £5,500 " and " £7,000 ", wherever occurring, there shall be substituted respectively " £10,000 " and " £15,000 ".
- (2) In subsection (2) of the said section 55 (under which the relief afforded by subsection (1) of that section is not available as respects the duty chargeable in respect of a premium for a lease if the consideration includes rent exceeding £50 a year) for " £50 " there shall be substituted " £150 ".
- (3) No duty shall be chargeable under paragraph (3) of the heading " Lease or Tack " in Schedule 1 to the Stamp Act 1891 in respect of consideration consisting of rent if the term does not exceed seven years or is indefinite and the rent is at a rate or average rate not exceeding £250 per annum; and accordingly—
- (a) the rate of duty specified in the second column of the Table in that paragraph as applicable where the rent is at a rate or average rate exceeding £100 shall apply only when the rent is at a rate or average rate exceeding £250; and
 - (b) in paragraph (2)(a) of that heading for " £100 " there shall be substituted " £250 ".

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(4) This section has effect in relation to instruments executed on or after 1st August 1972.

126 Abolition of stamp duty on bank notes and of bankers' licences

- (1) The following are hereby abolished—
- (a) the stamp duty chargeable by virtue of the heading "BANK NOTE" in Schedule 1 to the Stamp Act 1891;
 - (b) the licences required to be taken out under section 24 of the Stamp Act 1815 (licences for bankers etc. issuing certain promissory notes).
- (2) This section takes effect on 25th June 1972; and if on or after that date and before the passing of this Act a person pays any duty in respect of a licence of the kind mentioned in subsection (1)(b) above which would not have been payable if this Act had then been in force the Commissioners of Inland Revenue shall, on application made to them within two years after the date of payment, repay the duty.

127 Disclosure of information between revenue departments

- (1) No obligation as to secrecy or other restriction upon the disclosure of information imposed by statute or otherwise shall prevent either—
- (a) the Commissioners of Inland Revenue or an authorised officer of those Commissioners; or
 - (b) the Commissioners of Customs and Excise or an authorised officer of those Commissioners;
- from disclosing information to the other Commissioners or an authorised officer of the other Commissioners for the purpose of assisting them in the performance of their duties.
- (2) Information obtained in pursuance of this section shall not be disclosed except—
- (a) to the Commissioners or an authorised officer of the Commissioners on whose behalf it was obtained; or
 - (b) for the purpose of any proceedings connected with a matter in relation to which those Commissioners perform duties.

128 Vehicle excise duty-disabled persons

- (1) For subsection (2) of section 7 of the Vehicles (Excise) Act 1971 (exemption from duty of certain vehicles registered in name of disabled persons) there shall be substituted the following subsection—
- “(2) A mechanically propelled vehicle shall not be chargeable with any duty under this Act by reason of its use by or for the purposes of a person suffering from a physical defect or disability or by reason of its being kept for such use if—
- (a) it is registered under this Act in the name of that person; and
 - (b) he has obtained, or is eligible for, a grant under section 33(3) of the Health Services and Public Health Act 1968 in relation to that vehicle; and
 - (c) no other vehicle registered in his name under this Act is exempted from duty under this subsection.”

- (2) In section 7 of the Finance Act 1971 the words from " fitted with controls " to " or a vehicle " and paragraphs (a) and (b) shall be omitted.
- (3) In section 4(1)(g) of the Vehicles (Excise) Act 1971 (vehicles not exceeding eight hundredweight for invalids) for the word " eight" there shall be substituted the word " ten ".

129 Summary award of penalties

- (1) In section 53(1) of the Taxes Management Act 1970 (summary award of penalties) there shall be substituted, for the words from " section 98(3) " to " awarded " the words" section 98 of this Act shall have effect, in relation to a penalty so awarded, as if subsection (3) were omitted and the reference in subsection (1)(ii) to the Commissioners before whom proceedings for the penalty have been commenced were a reference to the Commissioners by whom the penalty has been awarded ".
- (2) This section does not apply in relation to a penalty awarded before the commencement of this Act.

130 Compensation for loss of office etc. by clerks to General Commissioners

- (1) The Commissioners of Inland Revenue may, with the concurrence of the Minister for the Civil Service, by regulations provide for the payment out of money provided by Parliament of compensation to or in respect of any clerk to the General Commissioners for any division who suffers or has suffered loss of office or loss or diminution of emoluments which is attributable to any order affecting that division made (whether before or after the passing of this Act) under section 2(6) of the Taxes Management Act 1970 (alteration and abolition of divisions).
- (2) Regulations under this section may—
 - (a) include provision as to the manner in which and the person to whom any claim for compensation under the regulations is to be made, and for the determination of all questions arising under the regulations;
 - (b) make different provision for different classes of persons and for different circumstances, and make, or authorise the Commissioners of Inland Revenue to make, exceptions and conditions;
 - (c) be framed so as to have effect from a date earlier than the making of the regulations,but so that regulations having effect from a date earlier than their making shall not place any individual in a worse position than he would have been in if the regulations had been so framed as to have effect only from the date of their making.
- (3) Regulations under this section shall be made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

131 Post-war credits

- (1) On the repayment of any post-war credit, or payment to a building society of any amount outstanding under section 3 of the Income Tax (Repayment of Post-War Credits) Act 1959, the sum payable, inclusive of the interest, may be taken by the Commissioners of Inland Revenue as amounting to 138 per cent. of the credit as

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notified under section 7 of the Finance Act 1941 or of the amount so outstanding, as the case may be.

- (2) An application for such a repayment made before the applicant is qualified may, if he later becomes qualified, be treated as made on the date when he does so.
- (3) No such repayment shall be made unless application therefor is made before such time (not earlier than the beginning of the year 1974) as the Treasury may by order direct.

Any order under this subsection shall be made by statutory instrument, which shall be laid before Parliament after being made, and may be varied by a subsequent order so as to extend the time for applications for repayment.

- (4) In this section " post-war credit" has the same meaning as in the Income Tax (Repayment of Post-War Credits) Act 1959.
- (5) This section shall be deemed to have had effect from the beginning of April 1972.

132 Local loans

- (1) Loans in pursuance of section 3 of the National Loans Act 1968 may be made by the Public Works Loan Commissioners, in addition to any loans made by them under section 4 of that Act, but the aggregate of—

- (a) the commitments of the Commissioners outstanding at any time in respect of undertakings entered into by them to grant such loans ; and
- (b) the advances in respect of such loans made by them under this section up to that time ;

shall not exceed £1,000 million or such greater amount as may be specified in an order under subsection (2) of this section.

- (2) The Treasury may, on not more than three occasions, by order made by statutory instrument increase or further increase the limit imposed by subsection (1) of this section by such sum not exceeding £1,000 million as may be specified in the order.
- (3) No order shall be made under this section unless a draft of it has been laid before and approved by a resolution of the Commons House of Parliament.

133 Advances to trustee savings banks

In section 53(2) of the Trustee Savings Banks Act 1969 (limit on advances to trustee savings banks out of the Fund for the Banks for Savings) for the words " but the total of the advances so made shall not exceed £10 million " there shall be substituted the words " but the amount outstanding at any time in respect of such advances shall not exceed £15 million ".

134 Citation, interpretation, construction, extent and repeals

- (1) This Act may be cited as the Finance Act 1972.
- (2) In this Act " the Taxes Act" means the Income and Corporation Taxes Act 1970.
- (3) In this Act—
 - (a) Part III shall be construed as one with the Customs and Excise Act 1952;

- (b) Parts IV and V, so far as they relate to income tax, shall be construed as one with the Income Tax Acts and, so far as they relate to corporation tax, shall be construed as one with the Corporation Tax Acts;
 - (c) sections 112 to 119 shall be construed as one with Part III of the Finance Act 1965 ;
 - (d) sections 120 and 121 shall be construed as one with the Finance Act 1894.
- (4) Except so far as the context otherwise requires, any reference in this Act to any enactment shall be construed as a reference to that enactment as amended, and as including a reference to that enactment as applied, by or under any other enactment, including this Act.
- (5) Except as otherwise expressly provided, such of the provisions of this Act as relate to matters in respect of which the Parliament of Northern Ireland has power to make laws do not extend to Northern Ireland.
- (6) If the Parliament of Northern Ireland passes provisions amending or replacing any enactment of that Parliament referred to in this Act the reference shall be construed as a reference to the enactment as so amended or, as the case may be, as a reference to those provisions.
- (7) The enactments mentioned in Schedule 28 to this Act are hereby repealed to the extent mentioned in the third column of that Schedule, but subject to any provision at the end of any Part of that Schedule.