



Finance (No. 2) Act 1975

1975 CHAPTER 45

PART I

CUSTOMS AND EXCISE

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

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

- (1) At the end of 1975 the duties of customs on spirits, wine, beer, hydrocarbon oil, matches and mechanical lighters and the duty of excise on British wine charged under the enactments mentioned in subsection (2) below shall cease to be charged, but on and after 1st January 1976—
 - (a) duties of excise on spirits, beer, hydrocarbon oil, matches and mechanical lighters shall be charged under sections 9 to 13 of this Act on those goods alike where produced or manufactured in the United Kingdom and where imported into the United Kingdom; and
 - (b) duties of excise shall be charged under sections 14 and 15 of this Act on wine and on made-wine (as defined in those sections) produced in the United Kingdom or imported into the United Kingdom.
- (2) The enactments referred to in subsection (1) above are section 6(1) of the Finance Act 1928 (mechanical lighters), sections 1(1), 2(1) and 3(1) of the Finance Act 1964 (spirits, beer, wine and British wine), section 1(2) of the Finance Act 1973 (matches) and section 4(1) of the Hydrocarbon Oil (Customs & Excise) Act 1971.
- (3) The customs Acts and excise Acts shall have effect in relation to an excise duty chargeable alike on goods produced or manufactured in or imported into the United Kingdom as if that duty were, in so far as it is chargeable on goods produced or manufactured in the United Kingdom, a duty of excise and, in so far as it is chargeable on goods imported into the United Kingdom, a duty of customs.

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- (4) Part I of Schedule 3 to this Act shall have effect for supplementing the foregoing provisions of this section; but nothing in the amendments made by that Part shall affect the right to any drawback or other relief under any of the enactments amended thereby in respect of customs duty charged before the end of 1975.
- (5) The amendments set out in Part II of that Schedule (being amendments relating to the duties referred to in paragraphs (a) and (b) of subsection (1) above) shall, on and after 1st January 1976, also have effect.

9 Spirits

There shall be charged on spirits—

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

TABLE

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

10 Beer

- (1) There shall be charged on beer—
- (a) imported into the United Kingdom ; or
(b) brewed in the United Kingdom,
a duty of excise at the rate of £13.6800 for every 36 gallons, that rate being, however, increased in the case of beer of an original gravity exceeding 1,030 degrees, by £0.4560 for each additional degree.
- (2) Drawback under sections 137 and 138 of the Act of 1952 shall, where it is shown to the satisfaction of the Commissioners that a duty of excise charged under this section has been paid, be allowed at the same rate as the rate at which the duty is charged; but as respects beer of an original gravity of less than 1,030 degrees the amount of drawback allowable shall not exceed the amount of the duty shown to the satisfaction of the Commissioners to have been paid.

11 Hydrocarbon oil

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

- (a) imported into the United Kingdom ; or
(b) produced in the United Kingdom and delivered for home use from a refinery or from other premises used for the production of hydrocarbon oil or from

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any bonded storage for hydrocarbon oil, not being hydrocarbon oil chargeable with duty under paragraph (a) above,
a duty of excise at the rate of £0.2250 a gallon.

12 Matches

There shall be charged on matches—

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

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

13 Mechanical lighters

(1) There shall be charged on mechanical lighters—

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

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

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

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

14 Wine

(1) There shall be charged on wine—

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

a duty of excise at the rates shown in Schedule 4 to this Act and the duty shall, in so far as it is chargeable on wine produced in the United Kingdom, be charged and paid in accordance with regulations under section 140 of the Act of 1952 (as substituted by paragraph 27 of Schedule 3 to this Act).

(2) Subject to subsection (3) below, a person who, on any premises in the United Kingdom, produces wine for sale must hold an excise licence under this subsection in respect of those premises for that purpose and on such a licence there shall be charged an excise duty at the rate of £5.25 per annum.

(3) A person who, in warehouse, produces wine for sale by rendering it sparkling in accordance with regulations under section 16(2) of this Act need not hold an excise licence under subsection (2) above in respect of those premises.

(4) If any person who is required by subsection (2) above to hold a licence under that subsection in respect of any premises produces wine on those premises without being the holder of a licence under that subsection in respect of those premises he shall be

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liable to a penalty of £500 and the wine and all vessels, utensils and materials for producing wine found in his possession shall be liable to forfeiture.

- (5) In this section (and in the customs Acts and excise Acts) " wine" means any liquor obtained from the alcoholic fermentation of fresh grapes or the must of fresh grapes, whether or not the liquor is fortified with spirits or flavoured with aromatic extracts; and any reference to " wine " in those Acts in force on 1st January 1976 shall be construed accordingly.

15 Made-wine

- (1) There shall be charged on made-wine—
- (a) imported into the United Kingdom ; or
 - (b) produced in the United Kingdom by a person who is required by subsection (2) below to be licensed to produce made-wine for sale,
- a duty of excise at the rates shown in Schedule 5 to this Act and the duty shall, in so far as it is chargeable on made-wine produced in the United Kingdom, be charged and paid in accordance with regulations under section 140 of the Act of 1952 (as substituted by paragraph 27 of Schedule 3 to this Act).
- (2) Subject to subsections (3) and (4) below, a person who, on any premises in the United Kingdom, produces made-wine for sale must hold an excise licence under this subsection in respect of those premises for that purpose and on such a licence there shall be charged an excise duty at the rate of £5.25 per annum.
- (3) A person who, in warehouse, produces made-wine for sale by rendering it sparkling in accordance with regulations under section 16(2) of this Act need not hold an excise licence under subsection (2) above in respect of those premises.
- (4) A person need not hold an excise licence under subsection (2) above in respect of premises on which he produces made-wine for sale so long as all the following conditions are satisfied in relation to the production of made-wine by him on those premises, that is to say—
- (a) the excise duty chargeable on each alcoholic ingredient used by him has become payable before he uses it;
 - (b) the ingredients he uses do not include non-excisable cider or black beer ;
 - (c) he does not by fermentation increase the alcoholic strength of any liquor or substance used by him; and
 - (d) he does not render any made-wine sparkling.
- (5) If any person who is required by subsection (2) above to hold a licence under that subsection in respect of any premises produces made-wine on those premises without being the holder of a licence under that subsection in respect of those premises he shall be liable to a penalty of £500 and the made-wine and all vessels, utensils and materials for producing made-wine found in his possession shall be liable to forfeiture.
- (6) In this section (and in the customs Acts and excise Acts)—
- " made-wine " means any liquor obtained from the alcoholic fermentation of any substance or by mixing a liquor so obtained or derived from a liquor so obtained with any other liquor or substance but does not include wine, beer, black beer, spirits or non-excisable cider;
- " non-excisable cider " means cider (or perry) of a strength less than 8-7 per cent, of alcohol by volume (at a temperature of 20°C) obtained from the

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fermentation of apple or pear juice without the addition at any time of any alcoholic liquor or of any liquor or substance which communicates colour or flavour other than such as the Commissioners may allow as appearing to them to be necessary to produce cider (or perry);

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

16 Regulation of warehouses and warehoused goods

- (1) On 1st January 1976 the following provisions of the Act of 1952 (which regulate warehouses and warehoused goods), that is to say, sections 81 to 84 (except 82(3)), 86 to 89 and 145(1) and (2), shall be replaced by regulations having effect under subsection (2) of this section.
- (2) The Commissioners may by regulations regulate the deposit, keeping, securing and treatment of goods in and the removal of goods from warehouse and, without prejudice to the generality of the foregoing words, the regulations may include provisions—
 - (a) imposing or providing for the imposition under the regulations of conditions and restrictions subject to which goods may be deposited in, kept in or removed from warehouse or made available there to their owner for any prescribed purpose ;
 - (b) requiring goods deposited in warehouse to be produced to or made available for inspection by an officer on request by him;
 - (c) permitting the carrying out on warehoused goods of such operations (other than operations consisting of the mixing of spirits with wine or made-wine) as may be prescribed by or allowed under the regulations in such manner and subject to such conditions and restrictions as may be so prescribed or allowed;
 - (d) for determining, for the purpose of charging or securing the payment of duty, the duties of customs or excise and the rates thereof to be applied to warehoused goods (other than goods falling within section 80(1)(e) of the Act of 1952) and in that connection—
 - (i) for determining the time by reference to which warehoused goods are to be classified ;
 - (ii) for determining the time at which warehoused goods are to be treated as having been removed from warehouse;
 - (iii) for ascertaining the quantity which is to be taken as the quantity of warehoused goods;and may contain such incidental or supplementary provisions as the Commissioners think necessary or expedient for the protection of the revenue.
- (3) The regulations may make different provision for warehouses or parts of warehouses of different descriptions or for goods of different classes or descriptions or of the same class or description in different circumstances.
- (4) The regulations may make provision about the removal of goods from one warehouse to another or from one part of a warehouse to another part or for treating goods remaining in a warehouse as if, for all or any prescribed purposes of the customs Acts or excise Acts or any charge to customs or excise duty, they had been so removed; and regulations about the removal of goods may, for all or any prescribed purposes of those Acts or any such charge, include provision for treating the goods as having

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been warehoused or removed from warehouse (where they would not otherwise be so treated).

- (5) Regulations made by virtue of paragraph (a) or (c) of subsection (2) above may also provide for the forfeiture of goods in the event of non-compliance with any condition or restriction imposed by virtue of that paragraph or in the event of the carrying out of any operation on warehoused goods which is not by virtue of the said paragraph (c) permitted to be carried out in warehouse.
- (6) Section 34(1A) of the Act of 1952 (provision for deferment of payment of duty) shall apply to warehoused goods with the substitution of a reference to regulations under subsection (2) above for any reference to that section.
- (7) If any person fails to comply with any regulation made under subsection (2) above or with any condition or restriction imposed under a regulation so made he shall be liable to a penalty of £100.
- (8) In this section " the regulations " means regulations under subsection (2) above and " prescribed " means prescribed by the regulations.
- (9) The enactments specified in Schedule 6 to this Act shall have effect, on and after 1st January 1976, subject to the amendments specified in that Schedule (being minor amendments connected with the replacement of the provisions referred to in subsection (1) above by regulations under this section).