



Finance Act 1978

1978 CHAPTER 42

PART I **U.K.**

CUSTOMS AND EXCISE

1^{F1} **U.K.**

Textual Amendments

F1 S. 1 repealed by Tobacco Products Duty Act 1979 (c. 7), s. 11(1), Sch. 2

2^{F2} **U.K.**

Textual Amendments

F2 S. 2 repealed by Alcoholic Liquor Duties Act 1979 (c. 4), s. 92(2), Sch. 4 Pt. I

3—5.^{F3} **U.K.**

Textual Amendments

F3 Ss. 3—5 repealed by Customs and Excise Management Act 1979 (c. 2), s. 177(3), Sch. 6 Pt. I

6 **Anti-dumping measures on ECSC products.** **U.K.**

(1) In relation to any product covered by the ECSC treaty, the Secretary of State may by order make such provision as appears to him to be appropriate for the purpose of giving effect to any Recommendation or other Community obligation arising under that

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treaty and relating to the imposition, amendment, suspension, revocation or annulment of anti-dumping measures, that is to say, measures for affording protection against dumping or the granting of bounties or subsidies by countries which are not members of the Coal and Steel Community.

(2) Without prejudice to the generality of the power conferred by subsection (1) above, so far as may be necessary for giving effect to Community obligation, an order under that subsection may, in circumstances specified in the order,—

- (a) require the provision of security of an amount determined under the order by way of provisional duty;
- (b) provide for the collection of the whole or a particular proportion of any amount so secured;
- (c) charge a duty of customs; and
- (d) make provisions of the order applicable to goods imported into the United Kingdom or another member State before the order comes into force ;

and the power to make an order under that subsection includes power to vary or revoke an order previously made in the exercise of that power and shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament.

(3) Where the application or amount of any charge imposed by an order under subsection (1) above depends in some factor other than the country of origin, the Commissioners may require the importer of any goods to state such facts as they may think necessary in order to determine the duty chargeable on those goods ; and if any facts so required are not stated, the duty chargeable shall be determined on the basis that the facts are such as the Commissioners may determine.

(4) . . . ^{F4} any duty chargeable on goods by virtue of subsection (1) above, . . . ^{F4} shall be addition to any other duty of customs for the time being chargeable on those goods.

(5) Subject to subsections (6) and (7) below, after the passing of this Act, the powers conferred on the Secretary of State by the ^{M1}Customs Duties (Dumping and Subsidies) Act 1969 (in the following provisions of this section referred to as “the 1969 Act”) shall not be exercisable except in relation to products covered by the ECSC Treaty and then only in cases where the imposition of a duty under that Act to protect an industry within the United Kingdom is compatible with Community obligations ; and, to the limited extent that it remains operative by virtue of this subsection, the 1969 Act shall have effect—

- (a) subject to the amendments in Schedule 1 to this Act; and
- (b) subject to such amendments as the Secretary of State may specify by order made by statutory instrument, being amendments which appear to him to be necessary or desirable to take account of any international agreement to which the United Kingdom is a party.

(6) No order shall be made under subsection (5) above unless a draft of it has been laid before Parliament and approved by a resolution of each House, and the power to make such an order—

- (a) does not extend to the provisions of sections 1(1) and (3), 7(1), 8, 9(1) and (2) and 10 of the 1969 Act (which relate to the charge and levy of duty); and
- (b) is without prejudice to the power to make amendments of enactments under section 2(2) of the ^{M2}European Communities Act 1972 (for the purpose of implementing the Community obligations).

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- (7) Nothing in subsection (5) above shall affect—
- (a) the continued operation of any order made under the 1969 Act which is in force at the passing of this Act (notwithstanding that it may relate to goods which are not products covered by the ECSC Treaty); or
 - (b) the exercise, in relation to any such order as is referred to in paragraph (a) above, of any power conferred by section 10(3) or section 15(4) of the 1969 Act to vary or remove a duty having effect by virtue of the order or to vary or revoke the order itself.
- (8) F5
- (9) So much of Part I of Schedule 3 to the European Communities Act 1972 as provides for the repeal of the 1969 Act from a date to be appointed by the Secretary of State shall cease to have effect.

Textual Amendments

- F4 Words repealed by [Excise Duties \(Surcharges or Rebates\) Act 1979 \(c. 8\), s. 4, Sch. 2](#)
F5 [S. 6\(8\)](#) repealed by [Customs and Excise Duties \(General Relief\) Act \(c. 3\), Sch. 3 Pt. I](#)

Marginal Citations

- M1 1969 c. 16.
M2 1972 c. 68.

7 F6 **U.K.**

Textual Amendments

- F6 [S. 7](#) repealed by [Finance Act 1980 \(c. 48\), s. 122, Sch. 20 Pt. I](#)

8 Vehicles Excise Duty: Great Britain. **U.K.**

- (1) For section 7(2) of the Vehicles (Excise) Act 1971 there shall be substituted—
- “(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 (“a disabled 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 paragraph 2 of Schedule 2 to the National Health Service Act 1977 in relation to that vehicle or is in receipt of a mobility allowance; and
 - (c) no other vehicle registered in his name under this Act is exempted from duty under this subsection or section 7 of the Finance Act 1971;
- and for the purposes of this subsection a vehicle shall be deemed to be registered in the name of a disabled person in receipt of a mobility allowance if it is registered in the name of a person appointed pursuant to regulations under the Social Security Act 1975 to exercise any of his rights or powers or

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in the name of a person nominated for the purposes of this subsection by the disabled person or by a person so appointed.”

- (2) So much of section 13 of the ^{M3}Finance Act 1976 as excludes a person entitled to a mobility allowance from the exemption from duty conferred by section 7 of the ^{M4}Finance Act 1971 shall cease to have effect.
- (3) In section 7 of the Finance Act 1971 after paragraph (c) there shall be inserted the words “and
- (d) no vehicle exempted from duty under section 7(2) of the Vehicles (Excise) Act 1971 is (or by virtue of that provision is deemed to be) registered in his name under that Act.”
- (4) Section 26(1)(c) of the ^{M5}Vehicles (Excise) Act 1971 (offences in respect of licence etc.) shall apply also to any document in the form of a licence which in pursuance of regulations made under that Act is issued in respect of a vehicle exempted from duty under the provisions mentioned in subsections (1) and (3) above; and section 26(2) (a) of that Act (false declarations in connection with applications for a licence) shall apply also in relation to any declaration required by any such regulations to be made in respect of any vehicle so exempted.
- (5) This section shall come into force on 1st December 1978.

Modifications etc. (not altering text)

- C1** The text of ss. 8, 9, 77, 80(3)(b) and Schs. 1, 11 and 13 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Marginal Citations

- M3** 1976 c. 40
M4 1971 c. 68
M5 1971 c. 10

9 Vehicles Excise Duty: Northern Ireland. U.K.

- (1) For section 7(2) of the Vehicles (Excise) Act (Northern Ireland) 1972 there shall be substituted—

“(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 (“a disabled 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 Article 30(3) of the Health and Personal Social Services (Northern Ireland) Order 1972 in relation to that vehicle or is in receipt of a mobility allowance; and
- (c) no other vehicle registered in his name under this Act is exempted from duty under this subsection or subsection (2A);

and for the purposes of this subsection a vehicle shall be deemed to be registered in the name of a disabled person in receipt of a mobility allowance if it is registered in the name of a person appointed pursuant to regulations

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under the Social Security (Northern Ireland) Act 1975 to exercise any of his rights or powers or in the name of a person nominated for the purposes of this subsection by the disabled person or by a person so appointed.”.

- (2) So much of section 13 of the ^{M6}Finance Act 1976 as excludes a person entitled to a mobility allowance from the exemption from duty conferred by section 7(2A) of the said Act of 1972 shall cease to have effect.
- (3) In the said section 7(2A) after paragraph (b) there shall be inserted the words “and
 - (c) no vehicle exempted from duty under subsection (2) is (or by virtue of that subsection is deemed to be) registered in his name under this Act.”.
- (4) Section 26(c) of the said Act of 1972 (offences in respect of licence etc.) shall apply also to any document in the form of a licence which in pursuance of regulations made under that Act is issued in respect of a vehicle exempted from duty under section 7(2) or (2A) of that Act.
- (5) This section shall come into force on 1st December 1978.

Modifications etc. (not altering text)

C2 The text of ss. 8, 9, 77, 80(3)(b) and Schs. 1, 11 and 13 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Marginal Citations

M6 1976 c. 40

10 ^{F7} **U.K.**

Textual Amendments

F7 S. 10 repealed by [Excise Duties \(Surcharges or Rebates\) Act 1979 \(c. 8\), s. 4\(3\), Sch. 2](#)

PART II U.K.

VALUE ADDED TAX

11 Registration. U.K.

(1) ^{F8}

[^{F9}(3) After paragraph 10 of that Schedule (cancellation of registration) there shall be inserted—

“10A Where a registered person who has at any time ceased to be liable to be registered by virtue of paragraph 2 of this Schedule has before that time failed or subsequently failed to make any return or account for or pay any tax

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as required by or under this Act, the Commissioners may, if they think fit, cancel his registration with effect from such date as they may determine.”

(4) In paragraph 11 of that Schedule (discretionary registration) the existing provisions shall become sub-paragraph (1) and after those provisions there shall be inserted—

“(2) Where the Commissioners refuse to act or to continue to act on a request made by a person under sub-paragraph (1)(b) above, they shall give him written notice of their decision and of the grounds on which it was made.”;

and in section 40(1) of the said Act of 1972 (appeals) after paragraph (g) there shall be inserted—

“(g) any refusal to act or to continue to act on a request under paragraph 11(1)(b) of Schedule 1 to this Act;”.]

(5) F8

Textual Amendments

F8 S. 11 (1)(2)(5)(6) repealed by Finance Act 1980 (c. 48), s. 122, Sch. 20 Pt. IV

F9 S. 11 (3)(4) repealed (E.W.S.) by Value Added Tax Act 1983 (c. 55), s. 50(2), Sch. 11

Modifications etc. (not altering text)

C3 “that Schedule” is Schedule 1 to the Finance Act 1972 (c. 41)

12 F10 U.K.

Textual Amendments

F10 S. 12 repealed by Value Added Tax Act 1983 (c. 55), s. 50(2), Sch. 11

PART III U.K.

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

U.K.

CHAPTER IGENERAL

13— F11 U.K.
28.

Textual Amendments

F11 Ss. 13–28 repealed (with savings) by Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), s. 844, Schs. 30, 31

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29 Divers and diving supervisors. U.K.

(1) F12

(3) In paragraph 2(b) of Schedule 15 to the Finance Act 1973 (information about emoluments paid or payable in respect of duties performed in connection with exploration or exploitation activities) for the words “emoluments paid or payable in respect of duties” there shall be substituted the words—*[for substituted words see 1973 Sch. 15 para.2(b)]*.

(4) F13

Textual Amendments

F12 S. 29(1)(2) repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 844, **Sch. 31**.

F13 S. 29(4) repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 844, **Sch. 31**

30— F14 U.K.
36.

Textual Amendments

F14 Ss. 30–36 repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 844, **Sch. 31**

37— F15 U.K.
40.

Textual Amendments

F15 Ss. 37–40 repealed by [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#), s. 164(4)(5), **Sch. 2**

41— F16 U.K.
43.

Textual Amendments

F16 Ss. 41–43 repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 844, **Sch. 31**.

CHAPTER II U.K.

CAPITAL GAINS

44 F17 U.K.

Status: Point in time view as at 01/02/1991.

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Textual Amendments

F17 S. 44 repealed by [Capital Gains Tax Act 1979 \(c. 14, SIF 63:2\)](#), s. 158, [Sch. 8](#)

45 Chattel exemption. U.K.

(1) F18

(5) In sections 12(2)(b) and 25(7) of the Taxes Management Act 1970 (information about chargeable gains) for “£1,000” there shall be substituted “£2,000”.

(6) This section applies for the year 1978-79 and subsequent years of assessment; . . . F19

Textual Amendments

F18 S. 45(1)–(4) repealed by [Capital Gains Tax Act 1979 \(c. 14, SIF 63:2\)](#), s. 158, [Sch. 8](#)

F19 Words repealed by [Capital Gains Tax Act 1979 \(c. 14, SIF 63:2\)](#), s. 158, [Sch.8](#)

46— F20 U.K.
52.

Textual Amendments

F20 Ss. 46–52 repealed with savings by [Capital Gains Tax Act 1979 \(c. 14, SIF 63:2\)](#), s. 158, [Sch. 8](#)

CHAPTER III U.K.

PROFIT SHARING SCHEMES

F21 53— U.K.
61.

Textual Amendments

F21 Ss. 53-61 repealed with savings by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 844, [Sch. 31](#).

PART IV U.K.

CAPITAL TRANSFER TAX

62, 63. F22 U.K.

Status: Point in time view as at 01/02/1991.
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Textual Amendments

F22 Ss. 62, 63 repealed (with savings) by Finance Act 1980 (c. 48), s. 122, Sch. 20 Pt. XI

64— ^{F23} **U.K.**
74.

Textual Amendments

F23 Ss. 64–74 repealed by Capital Transfer Tax Act 1984 (c. 51, SIF 65), ss. 274, 277, Schs. 7, 9

75 ^{F24} **U.K.**

Textual Amendments

F24 S. 75 repealed by Finance Act 1984 (c. 42), s. 128(6), Sch. 23 Pt. XI

76 ^{F25} **U.K.**

Textual Amendments

F25 S. 76 repealed by Finance (No. 2) Act 1979 (c. 47), s. 25(5), Sch. 5 Pt. IV

PART V U.K.

MISCELLANEOUS AND SUPPLEMENTARY

77 Disclosure of information to tax authorities in other member States. U.K.

- (1) No obligation as to secrecy imposed by statute or to otherwise shall preclude the Commissioners of Inland Revenue or an authorised officer of those Commissioners from disclosing to the competent authorities of another member State any information required to be so disclosed by virtue of the Directive of the Council of the European Communities dated 19th December 1977 No. 77/799/EEC.
- (2) Neither the Commissioners nor an authorised officer shall disclose any information in pursuance of the said Directive unless satisfied that the competent authorities of the other State are bound by, or have undertaken to observe, rules of confidentiality with respect to the information which are not less strict than those applying to it in the United Kingdom.
- (3) Nothing in this section shall permit the Commissioners of Inland Revenue or an authorised officer of those Commissioners to authorise the use of information disclosed by virtue of the said Directive other than for the purposes of taxation or to facilitate legal proceedings for failure to observe the tax laws of the receiving State.

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Modifications etc. (not altering text)

- C4** S. 77 extended by Finance Act 1990 (c. 48), s. 17(2) and by Finance Act 1990 (c. 29), s. 125(5)(6)
- C5** The text of ss. 8, 9, 77, 80(3)(b) and Schs. 1, 11 and 13 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

78 ^{F26} **U.K.**

Textual Amendments

- F26** S. 78 repealed by Finance Act 1984 (c. 43), s. 128(6), Sch. 23 Pt. XIV

79 ^{F27} **U.K.**

Textual Amendments

- F27** S. 79 repealed by Customs and Excise Management Act 1979 (c. 2), s. 177(3), Sch. 6 Pt. I

80 Short title, interpretation, construction and repeals. U.K.

- (1) This Act may be cited as the Finance Act 1978.
- (2) In this Act “the Taxes Act” means the Income and Corporation Taxes Act 1970.
- (3) In this Act—
 - (a) Part I (except sections 8 and 9) shall be construed as one with [^{F28}the ^{M7}Customs and Excise Management Act 1979];
 - (b) Part II shall be construed as one with Part I of the ^{M8}Finance Act 1972;
 - (c) Part III, so far as it relates to income tax, shall be construed as one with the Income Tax Acts, so far as it relates to corporation tax shall be construed as one with the Corporation Tax Acts . . . ^{F29};
 - (d) ^{F30}
- (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) The enactments mentioned in Schedule 13 to this Act (which include spent enactments) are hereby repealed to the extent specified in the third column of that Schedule, but subject to any provision at the end of any Part of that Schedule.

Textual Amendments

- F28** Words substituted by Customs and Excise Management Act 1979 (c. 2), Sch. 4 para. 12 Table Pt. I
- F29** Words repealed by Capital Gains Tax Act 1979 (c. 14, SIF 63:2), s. 158, Sch.8
- F30** S. 80(3)(d) repealed by Capital Transfer Tax Act 1984 (c. 51, SIF 65), s. 277, Sch. 9

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Modifications etc. (not altering text)

- C6** The text of ss. 8, 9, 77, 80(3)(b) and Schs. 1, 11 and 13 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Marginal Citations

- M7** 1979 c. 2.
M8 1972 c. 41.

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