



# Finance Act 1982

## 1982 CHAPTER 39

### PART VII

#### MISCELLANEOUS AND SUPPLEMENTARY

#### **143 Reduction of national insurance surcharge**

- (1) Subject to subsection (2) below, in section 1(1) of the National Insurance Surcharge Act 1976 (surcharge of 3½ per cent, on secondary Class 1 contributions) for the words " 3½ per cent." there shall be substituted the words " 2½ per cent. ".
- (2) Subject to subsections (3) and (4) below, this section has effect in relation to any contribution in respect of earnings which are paid on or after 2nd August 1982; but with respect to earnings paid in a tax week beginning before 6th April 1983, subsection (1) above shall have effect as if the words substituted for " 3i per cent. " were " 2 per cent.", not " 2\ per cent."
- (3) The amendments made by subsections (1) and (2) above do not apply to any secondary Class I contribution which any of the bodies specified in subsection (4) below is liable to pay in respect of earnings paid in a tax week beginning before 6th April 1983 ; and accordingly in the case of any such contributions, the rate of surcharge shall continue to be 3½ per cent.
- (4) The bodies referred to in subsection (3) above are—
  - (a) in England and Wales, those which, by virtue of section 53(5) of the Local Government, Planning and Land Act 1980, are local authorities for the purposes of Part VI of that Act;
  - (b) in Scotland, regional, islands and district councils ;
  - (c) the Receiver for the Metropolitan Police District and the police authority for every police area other than that District;
  - (d) in Scotland, the fire authority for every area falling with in a combined area;
  - (e) the committees established under paragraph 2 of Schedule 3 to the Powers of Criminal Courts Act 1973 (probation and after-care committees); and

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- (f) magistrates' courts committees, within the meaning of section 19 of the Justices of the Peace Act 1979, and the committee of magistrates referred to in section 35(1) of that Act (the committee for the inner London area).
- (5) In this section " tax week " has the same meaning as in the Social Security Act 1975.

#### **144 Additional payments by programme contractors**

- (1) In paragraph 5 of Schedule 4 to the Broadcasting Act 1981 (accounting periods of programme contractors which are bodies corporate)—
- (a) after sub-paragraph (2) there shall be inserted the following sub-paragraph—
- “(2A) Where two parts of such a period as is mentioned in sub-paragraph (1) fall to be divided from each other under sub-paragraph (2)(a), section 32(4) shall have effect as if the profits and advertising receipts for each part were the profits and advertising receipts for the whole multiplied by
- $$\frac{X}{X+Y}$$
- where X and Y are respectively the number of weeks in that part and the number of weeks in the other part, counting (in each case) an odd 4 days or more as a week.”; and
- (b) in sub-paragraph (3) for the words " sub-paragraph (2) ", in both places where they occur, there shall be substituted the words " sub-paragraph (2)(b) ".
- (2) Subsection (1) above applies where the relevant order under section 32 of that Act (payments by programme contractors) is made after the passing of this Act.
- (3) Any contract between the Independent Broadcasting Authority and a programme contractor under which television programmes or local sound broadcasts are to be provided by the contractor, being a contract which is in force immediately before the passing of this Act, shall, until it is varied or superseded by a further contract or expires or is otherwise terminated, whichever first occurs, be deemed to be modified by virtue of this subsection so as—
- (a) to substitute provisions in conformity with subsection (1) above for so much (if any) of the contract as is not in conformity with that subsection; and
- (b) to incorporate in the contract such additional provisions as the contract is required to include in accordance with that subsection.
- (4) If it appears to the Independent Broadcasting Authority that subsection (1) above calls for the inclusion of additional provisions in any such contract as is mentioned in subsection (3) above, but does not afford sufficient particulars of what those provisions ought to be, the Authority may, after consulting the programme contractor, decide what those provisions are to be.
- (5) The first order made under section 32 of the Broadcasting Act 1981 after the passing of this Act may make, so as to take effect from 1st April 1982, provision which reduces the amount of any payments payable by virtue of subsection (1)(b) of that section; and if that order makes any such provision so as to take effect from that date, that section and paragraph 5 of Schedule 4 to that Act shall have effect in relation to the order as if any reference (however worded) to its commencement were a reference to that date.

#### **145 Certificates of tax deposit: extension of interest period**

For the purposes of certificates of tax deposit issued by the Treasury under section 12 of the National Loans Act 1968 on terms published before 31st July 1980, the date which is the due date in relation to—

- (a) income tax charged at a rate other than the basic rate, and
- (b) capital gains tax,

is by virtue of this section postponed, with respect to the year 1980-81 and any subsequent year of assessment, from the date specified in the prospectuses concerned to 1st December following the end of the year of assessment for which the tax is payable.

#### **146 Transfer of assets of British National Oil Corporation**

(1) In this section—

" the Corporation " means the British National Oil Corporation ;

" 75 per cent, subsidiary " has the meaning given by section 532(1)(b) of the Taxes Act;

" the subsidiary " means a 75 per cent, subsidiary of the Corporation to which any of the Corporation's assets or any of the assets of any other 75 per cent, subsidiary of the Corporation are transferred in pursuance of a scheme made under section 2(2) of the Oil and Gas (Enterprise) Act 1982 ; and

" transferred assets " means any of the assets so transferred

(2) Section 278 of the Taxes Act (deemed disposals of assets for capital gains tax where member leaves group) and section 21 of the Development Land Tax Act 1976 (deemed disposals of assets for development land tax where member leaves group) shall not have effect as respects any of the transferred assets on the subsidiary's ceasing on or after 6th April 1982 to be a 75 per cent, subsidiary of the Corporation.

#### **147 Transfer of assets of British Gas Corporation**

(1) In this section—

" the Corporation " means the British Gas Corporation; and

" 75 per cent, subsidiary " has the meaning given by section 532(1)(b) of the Taxes Act.

(2) If, in pursuance of a scheme made under section 10(2) of the Oil and Gas (Enterprise) Act 1982, any of the assets of the Corporation or of a 75 per cent, subsidiary of the Corporation are transferred to another 75 per cent, subsidiary of the Corporation, neither—

(a) section 278 of the Taxes Act (deemed disposals of assets for capital gains tax where member leaves group), nor

(b) section 21 of the Development Land Tax Act 1976 (deemed disposals of assets for development land tax where member leaves group),

shall have effect as respects any of the assets so transferred on that other subsidiary's ceasing to be a 75 per cent, subsidiary of the Corporation.

(3) If, for the purpose of enabling the Corporation to comply with a direction given under section 7(2) of the Gas Act 1972 requiring any asset to be disposed of, the asset to which the direction relates is transferred to a 75 per cent, subsidiary of the Corporation, neither section 278 of the Taxes Act nor section 21 of the Development Land Tax Act

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1976 shall have effect as respects any of the assets of that subsidiary on the subsidiary's ceasing to be a 75 per cent, subsidiary of the Corporation.

#### **148 Transfer of assets of Hops Marketing Board**

- (1) For the purposes of the Capital Gains Tax Act 1979, the transfer by virtue of the Hops Marketing Act 1982 of any asset from the Hops Marketing Board to any person or persons specified as mentioned in section 2(1) of that Act (in this section referred to as " the transferee ") shall be deemed to be for a consideration such that no gain or loss accrues to the Board ; and Schedule 5 to the Capital Gains Tax Act 1979 shall have effect in relation to any asset so transferred as if the acquisition or provision of it by the Board had been the acquisition or provision of it by the transferee.
- (2) Any transfer by virtue of the Hops Marketing Act 1982 of any interest in land from the Hops Marketing Board to the transferee shall be deemed to be a disposal to which subsection (1) of section 20 of the Development Land Tax Act 1976 (groups of companies) applies.

#### **149 Recovery of overpayment of tax, etc, 150. Investment in gilt-edged unit trusts**

- (1) The following section shall be substituted for section 30 of the Taxes Management Act 1970—

**“30 Recovery of overpayment of tax, etc.**

- (1) Where an amount of tax has been repaid to any person which ought not to have been repaid to him, that amount of tax may be assessed and recovered as if it were unpaid tax.
- (2) In any case where—
  - (a) a repayment of tax has been increased in accordance with section 47 or 48 of the Finance (No. 2) Act 1975 (supplements added to repayments of tax, etc.); and
  - (b) the whole or any part of that repayment has been paid to any person but ought not to have been paid to him ; and
  - (c) that repayment ought not to have been increased either at all or to any extent;

then the amount of the repayment assessed under subsection (1) above may include an amount equal to the amount by which the repayment ought not to have been increased.

- (3) In any case where—
  - (a) a payment, other than a repayment of tax to which subsection (2) above applies, is increased in accordance with section 47 or 48 of the Finance (No. 2) Act 1975 ; and
  - (b) that payment ought not to have been increased either at all or to any extent;

then an amount equal to the amount by which the payment ought not to have been increased may be assessed and recovered as if it were unpaid income tax or corporation tax.

- (4) An assessment to income tax or corporation tax under this section shall be made under Case VI of Schedule D.
  - (5) An assessment under this section shall not be out of time under section 34 of this Act if it is made before the end of the chargeable period following that in which the amount so assessed was repaid or paid as the case may be.
  - (6) Subsection (5) above is without prejudice to sections 36, 37 and 39 of this Act.
  - (7) In this section any reference to an amount repaid or paid includes a reference to an amount allowed by way of set-off.”
- (2) Subsection (5) of section 22 of the Finance Act 1978 (recovery of repayments of tax to spouses) shall not apply in relation to any amount repaid on or after 6th April 1982.
  - (3) Subsection (1) above has effect in relation to any amount repaid or paid on or after 6th April 1982.
- 150** In Part II of Schedule 1 to the Trustee Investments Act 1961 (" narrower-range investments" in which trust property may be invested) the following paragraph shall be inserted after paragraph 10—
- “10A In any units, or other shares of the investments subject to the trusts, of a unit trust scheme which, at the time of investment, is an authorised unit trust, within the the meaning of section 358 of the Income and Corporation Taxes Act 1970, in relation to which, by virtue of section 60 of the Finance Act 1980, section 354 of the said Act of 1970 does not apply.”
- 151 National savings accounts**
- (1) The National Savings Bank Act 1971 shall have effect subject to the amendments specified in Schedule 20 to this Act.
  - (2) This section and Schedule 20 to this Act shall come into force on the expiry of the period of three months beginning with the day on which this Act is passed.
- 152 Additional power of Treasury to borrow**
- (1) At the beginning of subsection (1) of section 12 of the National Loans Act 1968 (power of Treasury to borrow) there shall be inserted the words " Any money which the Treasury consider it expedient to raise for the purpose of promoting sound monetary conditions in the United Kingdom and ".
  - (2) After the said subsection (1) there shall be inserted the following subsection:

“(1A) The terms (as to interest or otherwise) on which any balance for the time being in the National Loans Fund is to be held shall be such as may be agreed between the Treasury and the Bank of England.”
  - (3) In section 19(4) of the National Loans Act 1968 (meaning of liabilities and assets of the Fund) after the words " the assets of that Fund shall be " there shall be inserted the words " the aggregate of any balance in that Fund and ".

**153 Variable rates of interest for government lending**

- (1) For section 5 of the National Loans Act 1968 (rates of interest) there shall be substituted the following section—

**“5 Rates of interest.**

- (1) This section has effect as respects any rate of interest—
- (a) which under any provision in Schedule 1 to this Act is to be determined in accordance with this Act, or
  - (b) which is to be determined by the Treasury under section 3 of this Act, and, where any enactment passed after this Act provides for the payment of interest on advances or loans made out of the National Loans Fund, and for the rate at which that interest is to be payable to be determined or approved by the Treasury, then, except as otherwise expressly provided, this section has effect as respects that rate of interest.
- (2) For any loan or class of loans the Treasury may determine or approve either—
- (a) a fixed rate of interest, that is to say a specified rate or a formula rate which is to be applied, throughout the period of the loan or any loan of that class, with the value which it has when the loan is made, or
  - (b) a variable rate of interest, that is to say a formula rate which is to be applied, for each of the successive periods of the loan or any loan of that class which are of a length specified in the determination or approval (in this section referred to as interest periods), with the value which it has at the beginning of that period ;
- and in this subsection " formula rate " means a rate which is so expressed (whether by means of a formula or otherwise) that it will or may have different values at different times.
- (3) The Treasury shall, on each occasion when they determine or approve a fixed rate of interest for a loan or class of loans, satisfy themselves that the rate would be at least sufficient to prevent a loss if—
- (a) the loan, or any loan of that class—
    - (i) were made forthwith, and
    - (ii) were met out of money borrowed by the Treasury at the lowest rate at which the Treasury are for the time being able to borrow money (of whatever amount) for a comparable period, and on other comparable terms, and
  - (b) the interest on the money so borrowed, together with the Treasury's expenses of borrowing, were set off against the interest received on the loan.
- (4) The Treasury shall, on each occasion when they determine or approve a variable rate of interest for a loan or class of loans, satisfy themselves that the rate would be at least sufficient to prevent a loss if—
- (a) the loan, or any loan of that class.—
    - (i) were made forthwith,
    - (ii) were to be repaid at the end of its first interest period, and
    - (iii) were met out of money borrowed by the Treasury at the lowest rate at which the Treasury are for the time being able

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- to borrow money (of whatever amount) for a comparable period, and
- (b) the interest on the money so borrowed were set off against the interest received on the loan.
- (5) If at any time the Treasury are satisfied that a rate of interest determined or approved for a class of loans, or for a loan not yet made, would not meet the requirements of subsection (3) or, as the case may be, subsection (4) above if it were determined or approved at that time, that determination or approval shall be withdrawn; and another rate shall be determined or approved in accordance with that subsection for further loans of that class or, as the case may be, for that loan.
- (6) The Treasury may in determining or approving a rate of interest take into account any consideration justifying a rate higher than that required by subsection (3) or (4) above.
- (7) Different fixed rates of interest may be determined or approved in respect of loans which are to be made for the same length of time; and different variable rates of interest may be determined or approved for loans which are to have interest periods of the same length.
- (8) The Treasury shall cause—
- (a) all rates of interest determined from time to time by them in respect of local loans, and
- (b) all other rates of interest determined from time to time by them otherwise than by virtue of subsection (6) above,
- to be published in the London and Edinburgh Gazettes as soon as may be after the determination of those rates.”
- (2) The enactments amended by Schedule 1 to that Act (government lending and advances) shall have effect as if in the third column of that Schedule for the word " fixed ", wherever it occurs, there were substituted the word " determined ".
- (3) In subsection (9) of section 47 of the Housing (Financial Provisions) Act 1958 (loans for certain housing purposes) for the word " prescribed " there shall be substituted the word " determined ".
- (4) In subsection (5) of section 20 of the Crown Agents Act 1979 (grants and loans by Minister) for the words " section 5(2) of the National Loans Act 1968 (criteria for fixing " there shall be substituted the words " section 5(3) and (4) of the National Loans Act 1968 (criteria for determining ".

## **154 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 78 of the Finance Act 1978, 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 £4,000 million or such greater amount as may be specified in an order under subsection (2) below.

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- (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) above by such sum not exceeding £4,000 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.

**155 Extinguishment of deferred liability of charities for development land tax**

- (1) In so far as any charity continues, on 9th March 1982, to have a liability for development land tax which is deferred by virtue of section 25 of the Development Land Tax Act 1976 (development by charities on land acquired after 12th September 1974) that liability is hereby extinguished with effect from that date.
- (2) Subsection (1) above shall be construed as one with the Development Land Tax Act 1976 and the reference in that subsection to section 25 of that Act is a reference to that section as it had effect before it was replaced by section 111 of the Finance Act 1980.

**156 Dissolution of Board of Referees**

- (1) The Board of Referees mentioned in section 26 of the Capital Allowances Act 1968 is hereby dissolved and the functions of the Board transferred to the tribunal established under section 463 of the Taxes Act.
- (2) Schedule 21 to this Act shall have effect for the purpose of making provision consequential on this section.

**157 Short title, interpretation, construction and repeals**

- (1) This Act may be cited as the Finance Act 1982.
- (2) In this Act " the Taxes Act" means the Income and Corporation Taxes Act 1970.
- (3) Part III of this Act, 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 and, so far as it relates to capital gains tax, shall be construed as one with the Capital Gains Tax Act 1979.
- (4) Part IV of this Act shall be construed as one with Part III of the Finance Act 1975.
- (5) Part VI of this Act shall be construed as one with Part I of the Oil Taxation Act 1975 or, in the case of section 136, with Part II of that Act and references in Part VI to the principal Act are references to that Act.
- (6) The enactments and Orders mentioned in Schedule 22 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.
- (7) The provisions of Part XI of Schedule 22 to this Act, except in so far as they relate to the Wellington Museum Act 1947 and the Finance (No. 2) Act 1975, shall have effect in substitution for the provisions of Section B of Part VI of Schedule 20 to the Finance Act 1980 and, accordingly, that Section shall be deemed not to have taken effect at the beginning of the year 1982-83.