



# Finance Act 1985

## CHAPTER 54

### FINANCE ACT 1985

#### PART I

#### CUSTOMS AND EXCISE AND VALUE ADDED TAX

#### CHAPTER I

#### CUSTOMS AND EXCISE

##### *The rates of duty*

- 1 Spirits, beer, wine, made-wine and cider.
- 2 .....
- 3 Hydrocarbon oil.
- 4 Vehicles excise duty.

##### *Other provisions*

- 5 Blending of certain wines to constitute production of wine.
- 6 Miscellaneous amendments relating to spirits and beer.
- 7 Hydrocarbon oil: mixing etc.
- 8 Gaming machine licence duty.
- 9 Vehicles excise duty: fees.
- 10 Computer records etc.

#### CHAPTER II

#### VALUE ADDED TAX

*Status: Point in time view as at 25/04/1991.*

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*Newspaper advertisements*

- 11 Newspaper advertisements.

*Offences etc.*

- 12 Offences and penalties in criminal proceedings.

*Civil penalties*

- 13 Tax evasion: conduct involving dishonesty.  
 13A Incorrect certificates as to zero-rating etc.  
 14 Serious misdeclaration or neglect resulting in understatements or overclaims.  
 14A Persistent misdeclaration resulting in understatements or overclaims.  
 14B Inaccuracies in EC sales statements.  
 15 Failures to notify and unauthorised issue of invoices.  
 15A Mitigation of penalties under sections 13, 14, 14A and 15.  
 16 Breaches of walking possession agreements.  
 17 Breaches of regulatory provisions.  
 17A Penalties for failure to submit EC sales statement.

*Interest, surcharges and supplements*

- 18 Interest on tax etc. recovered or recoverable by assessment.  
 19 The default surcharge.  
 20 Repayment supplement in respect of certain delayed payments or refunds.

*Assessments, records and information*

- 21 Assessment of amounts due by way of penalty, interest or surcharge.  
 22 Assessments: time limits and supplementary assessments.  
 23 Amendments of Schedule 7 to the principal Act.

*Appeals*

- 24 Amendments of section 40 of the principal Act.  
 25 Settling appeals by agreement.  
 26 Certain appeals to lie directly to the Court of Appeal.  
 27 Procedural rules governing appeals.

*Miscellaneous*

- 28 Penalty for failure to comply with directions etc. of tribunal.  
 29 Enforcement of certain decisions of tribunal.  
 30 Appointments to and administration of tribunals.  
 31 Insolvency.  
 32 .....  
 33 Interpretation and construction of Chapter II.

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## PART II

### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

#### CHAPTER I

##### GENERAL

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- 50 Agents acting for non-residents.
- 51—53 .....
- 54 Withdrawal of right of certain non-resident companies to payment of tax credits.

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- 68 Modification of indexation allowance.
- 69 Relief for disposals by individuals on retirement from family business.
- 70 Relief for other disposals associated with retirement.
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- 84 Death: varying dispositions, and appropriations.
- 85 Repeal of certain fixed duties.
- 86 Abolition of duty on contract notes.
- 87 Certificates.
- 88 Exchange rates.
- 89 Exemption from section 28 of Finance Act 1931.

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## PART IV

### OIL TAXATION

- 90 Limitations on relief for exploration and appraisal expenditure.
- 91 Chargeable periods relevant to limit on tax payable and expenditure supplement.
- 92 Qualifying asset; exclusion of land and certain buildings etc.

## PART V

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- 93 Abolition of development land tax and tax on development gains.
- 94 Capital transfer tax: conditional exemption.
- 95 The national heritage: transfer of Treasury functions to Board.
- 96 European Communities and Investment Bank: exemptions.
- 97 Extension of Provisional Collection of Taxes Act 1968 to reduced and composite rates.
- 98 Short title interpretation, construction and repeals.

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## SCHEDULES

SCHEDULE 1 — Table of Rates of Duty on Wine and Made-Wine

SCHEDULE 2 — Vehicles Excise Duty

Part I — PROVISIONS SUBSTITUTED IN PART II OF SCHEDULES 1 TO 5 TO THE VEHICLES (EXCISE) ACT 1971 AND THE VEHICLES (EXCISE) ACT (NORTHERN IRELAND) 1972

- 1 The following are the provisions substituted in the Act of...
- 2 The following are the provisions substituted in the Act of...
- 3, 4 .....
- 5 The following are the provisions substituted in the Act of...

Part II — AMENDMENT OF PART I OF SCHEDULE 4 TO THE VEHICLES (EXCISE) ACT 1971 AND THE VEHICLES (EXCISE) ACT (NORTHERN IRELAND) 1972

- 6 In the Act of 1971 and the Act of 1972,...
- 7 The following shall be substituted for paragraph 6(2) of Part...
- 8 The following shall be substituted for paragraph 6(2) of Part...
- 9 .....

SCHEDULE 3 — Amendments of Alcoholic Liquor Duties Act 1979

*Manufacture of spirits during the recovery of beer*

- 1 In section 13 (regulations and directions relating to manufacture of...

*Spirits: attenuation charge*

- 2 In section 14 (the attenuation charge) at the end of...

*Determination of beer duty*

- 3 (1) In section 38 (duty on beer brewed by brewers...

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*Restrictions on adding substances to beer*

4 (1) In section 52 (offences by brewers for sale) for...

SCHEDULE 4 — Hydrocarbon Oil: Mixing Etc.

- 1 The following shall be substituted for section 20 of the...
- 2 The following shall be inserted after section 20 of that...
- 3 In section 27(3) of that Act (expressions have meanings given...
- 4 In paragraph 11 of Schedule 3 to that Act (securing...

SCHEDULE 5 — Gaming Machine Licence Duty

Part I — AMENDMENTS OF BETTING AND GAMING DUTIES ACT 1981

- 1 (1) In section 21 (gaming machine licences) in subsection (1)...
- 2 (1) In section 21A (special licences) at the end of...
- 3 (1) In section 22 (gaming machine licence duty) in subsection...
- 4 (1) In section 23 (amount of duty) in paragraph (a)...
- 5 In section 24(5) (provision of gaming machine in contravention of...
- 6 In section 26(2) (interpretation of provisions relating to gaming machine...
- 7 In section 33(1) (general interpretation provisions) at the end of...
- 8 .....
- 9 (1) In Schedule 4 (gaming machine licence duty), in paragraph...

Part II — EXTENSION TO NORTHERN IRELAND OF CERTAIN SUBORDINATE LEGISLATION

10 Any orders or regulations made under any provision of Schedule...

SCHEDULE 6 — Section 39 of The Principal Act as Amended, Excluding Subsection (8)

SCHEDULE 7 — Amendments of Schedule 7 to the Principal Act

- 1 (1) .....
- 2 In paragraph 7(2) (records to be preserved for a period...
- 3 (1) In paragraph 8 (furnishing of information and production of...
- 4 After paragraph 9 there shall be inserted the following paragraph...
- 5 (1) In paragraph 10 (entry and search of premises and...
- 6 After paragraph 10 there shall be inserted the following paragraphs—...

SCHEDULE 8 — Value Added Tax Tribunals

*Interpretation*

1 In this Schedule “Schedule 8” means Schedule 8 to the...

*The President*

- 2 (1) In paragraph 2 of the Schedule 8, in subparagraph...
- 3 (1) In paragraph 3 of Schedule 8, in subparagraph (1)...

*Sittings of tribunals*

4 In paragraph 4 of Schedule 8— (a) for the words...

*Membership of tribunals*

5 (1) In paragraph 7 of Schedule 8, in subparagraph (3),...

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### *Administration*

6 (1) Officers and staff may be appointed under section 27...

SCHEDULES 9—13 — ...

SCHEDULES 14—17. — ...

SCHEDULE 18 — ...

SCHEDULE 19 — Indexation

Part I — AMENDMENTS OF FINANCE ACT 1982

- 1 (1) In section 86, in subsection (1), paragraphs (b) and...
- 2 (1) In sections 87, in subsection (2), in the definition...
- 3 (1) In section 88, in each of subsections (1) to...
- 4 Section 89 (identification of securities: special rules) shall be omitted....
- 5 (1) In Schedule 13, in paragraph 1(a), for the words...

Part II — PRE-APRIL 1982 SHARE POOLS

- 6 (1) Subject to sub-paragraphs (2) and (3) below, a holding...
- 7 (1) For the purposes of the Capital Gains Tax Act...

Part III — POOLING OF OTHER SECURITIES

- 8 (1) In this Part of this Schedule—
- 9 (1) Any number of securities of the same class which—...
- 10 Without prejudice to the generality of paragraph 9 above, a...
- 11 (1) In relation to a disposal of a new holding,...
- 12 In relation to a new holding, the qualifying expenditure is...
- 13 (1) The provisions of this paragraph have effect, subject to...
- 14 (1) At the time of any operative event, the indexed...

### *Consideration for options*

- 15 (1) If, in a case where sub-paragraph (5)(b) of paragraph...

Part IV — IDENTIFICATION OF SECURITIES ETC.

- 16 (1) This Part of this Schedule applies where a person...
- 17 (1) Part III of this Schedule shall have effect with...
- 18 (1) Without prejudice to section 66 of the Capital Gains...
- 19 (1) The identification rules set out in sub-paragraphs (2) and...

Part V — PARALLEL POOLING

- 20 (1) Where an election has been made under Schedule 6...
- 21 (1) An election under Schedule 6 to the Finance Act...

Part VI — UNDERWRITER'S PREMIUMS TRUST FUNDS

- 22 This Part of this Schedule has effect with respect to...
- 23 (1) Subject to the following provisions of this paragraph, the...

SCHEDULE 20 — RETIREMENT RELIEF ETC.

Part I — INTERPRETATION

- 1 (1) This paragraph and paragraphs 2 and 3 below have...
- 2 (1) For the purposes of the provisions referred to in...
- 3 (1) A person who has been concerned in the carrying...
- 4 (1) In this Schedule— (a) “material disposal of business assets”...

Part II — THE OPERATION OF THE RELIEF

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*Disposals on which relief may be given*

- 5 (1) Relief in accordance with this Schedule shall not be...

*Gains qualifying for relief*

- 6 Subject to paragraphs 9 and 10 below, in the case...  
7 (1) Subject to paragraphs 9 to 11 below, in the...  
8 (1) Subject to paragraphs 9 to 11 below, in the...  
9 (1) If, in the case of a trustees' disposal, there...  
10 (1) If, in the case of an associated disposal,—  
11 (1) This paragraph applies where— (a) there is a material...  
12 (1) Subject to paragraphs 9 to 11 above, in arriving...

*The amount available for relief: the basic rule*

- 13 (1) Subject to the following provisions of this Part of...

*Aggregation of earlier business periods*

- 14 (1) If, apart from this paragraph, the qualifying period appropriate...

*Relief given on earlier disposal*

- 15 (1) In any case where— (a) an individual makes a...

*Aggregation of spouse's interest in the business*

- 16 (1) In any case where— (a) an individual makes a...

SCHEDULE 21 — Assets Disposed of in a Series of Linked Transactions

- 1 (1) This Schedule has effect for determining the original market...  
2 Where there is a series of linked transactions, the original...  
3 (1) Subject to paragraph 4 below, in relation to any...  
4 (1) If any of the assets disposed of by all...

SCHEDULE —

22.....

SCHEDULE —

23.....

SCHEDULE 24 — Stamp Duty: Headings Omitted

- (a) The heading beginning “Agreement or contract made or entered...

SCHEDULE 25 — Abolition of Development Land Tax and Tax on Development Gains

Part I — PROVISIONS SUPPLEMENTARY TO ABOLITION OF DEVELOPMENT LAND TAX

- 1 (1) In this Part of this Schedule “the 1976 Act”...  
2 (1) In any case where— (a) before 19th March 1985...  
3 Where, by virtue of paragraph 21 or paragraph 22 of...

Part II — CONSEQUENTIAL AMENDMENTS

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*The Taxes Management Act 1970*

- 4 In section 38 of the Taxes Management Act 1970 (modification...)
- 5 In section 40 of that Act (assessment on personal representatives)...
- 6 In section 70 of that Act (evidence) in subsection (2)...

*The Taxes Act*

7—9 .....

*The Finance Act 1981*

- 10 In section 135 of the Finance Act 1981 (Chevening estate)...

SCHEDULE 26 — Capital Transfer Tax: Conditional Exemption

*Principal amendments*

- 1 In section 30 (1) (b) of the Capital Transfer Tax...
- 2 (1) Section 31 of that Act shall be amended as...
- 3 (1) Section 32 of that Act (chargeable events for conditionally...
- 4 The following shall be inserted after section 32 of that...

*Consequential amendments*

- 5 In sections 33 (1), 34 (1), and 221 (6) (a)...
- 6 In sections 33 (6) and 34 (4) of that Act,...
- 7 For section 35 (2) (a) and (b) of that Act...
- 8 In section 78 of that Act— (a) in subsection (1)...
- 9 In section 79 (3) (b) of that Act after “given”...
- 10 After section 207 (2) of that Act there shall be...
- 11 In sections 216 (7), 226 (4) and 233 (1) (c)...
- 12 In paragraph 3 of Schedule 4 to that Act—
- 13 In paragraph 4 (2) of Schedule 6 to that Act,...
- 14 In Schedule 6 to the Value Added Tax Act 1983,...

SCHEDULE 27 — Repeals

Part I — CUSTOMS AND EXCISE: MISCELLANEOUS

- 1 The repeals in the Alcoholic Liquor Duties Act 1979 have...
- 2 The repeal in the Hydrocarbon Oil Duties Act 1979 has...

Part II — VEHICLES EXCISE DUTY

Part III — GAMING MACHINE LICENCE DUTY

- 1 The repeals in the Miscellaneous Transferred Excise Duties Act (Northern...
- 2 The repeals in the Betting and Gaming Duties Act 1981...

Part IV — VALUE ADDED TAX

- 1 The repeal in Schedule 5 to the Value Added Tax...
- 2 The repeals in paragraphs 4 and 7 of Schedule 8...

Part V — INCOME TAX AND CORPORATION TAX: GENERAL

- 1 The repeal in section 263 of the Income and Corporation...
- 2 The repeals in section 333 and 337 of the Income...
- 3 The repeals in sections 334 and 335 of the Income...
- 4 The repeals in section 343 of the Income and Corporation...
- 5 The repeals in section 1 of the Friendly Societies Act...

Part VI — INCOME TAX AND CORPORATION TAX: CAPITAL ALLOWANCES



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- 1 The repeals in section 68 of the Capital Allowances Act...
- 2 The repeals in section 82 of the Capital Allowances Act...
- 3 The repeal in section 94 of the Capital Allowances Act...
- 4 The repeals in sections 378, 379, 386 and 387 of...
- 5 The repeals in sections 41 and 44 of, and in...
- 6 The repeals in paragraphs 5 and 8 of Schedule 8...  
Part VII — CAPITAL GAINS
- 1 The repeals in section 270 of the Income and Corporation...
- 2 The repeal of sections 124 and 125 of the Capital...
- 3 The repeal of section 151 of the Capital Gains Tax...
- 4 The repeals in the Finance Act 1982, the Finance Act...  
Part VIII — SECURITIES  
Part IX — STAMP DUTY

### **(1) GIFTS INTER VIVOS**

### **(2) FIXED DUTIES**

### **(3) CONTRACT NOTES**

### **(4) EXCHANGE RATES**

### **(5) FINANCE ACT 1931**

- Part X — DEVELOPMENT LAND TAX AND TAX ON DEVELOPMENT GAINS
- 1 The repeals in the Finance Act 1974, the Finance Act...
  - 2 The other repeals in this Part and the repeal of...  
Part XI — MISCELLANEOUS

**Status:**

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