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Finance Act 1990

CHAPTER 29

FINANCE ACT 1990

PART I

CUSTOMS AND EXCISE AND VALUE ADDED TAX

CHAPTER I

CUSTOMS AND EXCISE

Rates of duty

- 1 Spirits, beer, wine, made-wine and cider.
- 2 Tobacco products.
- 3 Hydrocarbon oil.
- 4 Pool betting duty.
- 5 Vehicles excise duty.

Other provisions

- 6 Vehicles excise duty: exemptions.
- 7 Entry of goods on importation.
- 8 Spirits methylated abroad.
- 9 Lodgings for officers in charge of distillery.

CHAPTER II

VALUE ADDED TAX

- 10 Registration.
- 11 Bad debts.

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- 12 Domestic accommodation.
- 13 Goods shipped as stores.
- 14 Supplies to groups.
- 15 Power to assess.
- 16 Interest on tax etc. recovered or recoverable by assessment.

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Income tax rates and allowances

- 17 Rates and main allowances.
- 18 Relief for blind persons.

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- 19 Charge and rate of corporation tax for 1990.
- 20 Small companies.

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- 21 Care for children.
- 22 Car benefits.

Mileage allowances

- 23 Limit on chargeable mileage profit.

Charities

- 24 Payroll deduction scheme.
- 25 Donations to charity by individuals.
- 26 Company donations to charity.
- 27 Maximum qualifying company donations.

Savings

- 28 Tax-exempt special savings accounts.
- 29 Extension of SAYE.
- 30 Building societies.

Employee share ownership trusts

- 31 Conditions for roll-over relief.
- 32 Conditions for relief: supplementary.
- 33 The relief.
- 34 Dwelling-houses: special provision.
- 35 Shares: special provision.
- 36 Chargeable event when replacement assets owned.
- 37 Chargeable event when replacement property owned.
- 38 Chargeable event when bonds owned.
- 39 Information.

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40 Other enactments.

Insurance companies and friendly societies

- 41 Apportionment of income etc.
- 42 Overseas life assurance business.
- 43 Deduction for policy holders' tax.
- 44 Reinsurance commissions.
- 45 Policy holders' share of profits etc.
- 46 Annual deemed disposal of holdings of unit trusts etc.
- 47 Spreading of gains and losses under section 46.
- 48 Transfers of long term business.
- 49 Friendly societies: increased tax exemption.
- 50 Friendly societies: application of enactments.

Unit and investment trusts etc.

- 51 Authorised unit trusts.
- 52 Unit trusts: repeals.
- 53 Unit trust managers: exemption from bond-washing provisions.
- 54 Indexation: collective investment schemes.
- 55 Investment trusts.

Securities

- 56 Convertible securities.
- 57 Deep gain securities.
- 58 Qualifying indexed securities.
- 59 Deep discount securities.

Oil industry

- 60 Allowance for abandonment expenditure related to offshore machinery or plant.
- 61 Carrying back of losses referable to allowance for abandonment expenditure.
- 62 CT treatment of PRT repayment.
- 63 Disposals of certain shares deriving value from exploration or exploitation assets or rights.
- 64 Limitation of losses on disposal of oil industry assets.

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- 65 Dual resident companies: capital gains.
- 66 Dual resident companies: transfers of assets abroad.
- 67 Dual resident companies: controlled foreign companies.
- 68 Movements of capital between residents of member States.
- 69 European Economic Interest Groupings.
- 70 Transfer of United Kingdom branch or agency.

Miscellaneous

- 71 Relief for interest.
- 72 Capital gains: annual exempt amount for 1990-91.
- 73 Business expansion scheme: abolition of "locality rule".
- 74 Debts of overseas governments etc.

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- 75 Local enterprise agencies.
- 76 Training and enterprise councils and local enterprise companies.
- 77 Expenses of entertainers.
- 78 Waste disposal.
- 79 Priority share allocations for employees etc.
- 80 Broadcasting: transfer of undertakings of Independent Broadcasting Authority and Cable Authority.
- 81 Futures and options: exemptions.
- 82 Settlements: child's income.
- 83 Loans to traders.
- 84 Qualifying corporate bonds: relief.
- 85 Qualifying corporate bonds: reorganisations etc.
- 86 Groups of companies.
- 87 Capital allowances: vehicles provided by employees.
- 88 Capital allowances: miscellaneous amendments.
- 89 Correction of errors in Taxes Act 1988.

CHAPTER II

MANAGEMENT

Returns and information

- 90 Income tax returns.
- 91 Corporation tax returns.
- 92 Information powers relating to interest.
- 93 Restrictions on Board's power to call for information.
- 94 Donations to charity: inspection powers.

Corporation tax determinations

- 95 Determinations.
- 96 Consequential group relief adjustments.

Claims by companies

- 97 Payment of tax credits.
- 98 Repayment of income tax deducted at source.
- 99 Loss relief.
- 100 Group relief: general.
- 101 Group relief: relieved losses
- 102 Capital allowances: general.
- 103 Capital allowances: assimilation to claims by individuals.

Miscellaneous

- 104 Officers.
- 105 Recovery of excessive repayments of tax.
- 106 Corporation tax: collection.

PART III

STAMP DUTY AND STAMP DUTY RESERVE TAX

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Repeals

- 107 Bearers: abolition of stamp duty.
- 108 Transfer of securities: abolition of stamp duty.
- 109 Stamp duty: other repeals.
- 110 Stamp duty reserve tax: abolition.
- 111 General.

Paired shares

- 112 Stamp duty.
- 113 Stamp duty reserve tax.

International organisations

- 114 International organisations.

PART IV

MISCELLANEOUS AND GENERAL

Ports levy

- 115 Levy on privatisation of certain ports.
- 116 Amount of levy.
- 117 Levy on employee securities.
- 118 Payment of levy.
- 119 Information for purposes of levy.
- 120 Supplementary provisions relating to levy.

Petroleum revenue tax

- 121 Limit on PRT repayment interest where loss carried back.
- 122 Variation, on account of fraudulent or negligent conduct, of decision on expenditure claim etc.

Miscellaneous

- 123 Gas levy.
- 124 Inheritance tax: restriction on power to require information.
- 125 Information for tax authorities in other member States.
- 126 Pools payments for football ground improvements.
- 127 Definition of “local authority” for certain tax purposes.
- 128 Repayment of fees and charges.
- 129 Settlement of stock disputes by deputy registrars.
- 130 Limit for local loans.

General

- 131 Interpretation etc.
- 132 Repeals.
- 133 Short title.

SCHEDULES

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

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SCHEDULE 2 — Vehicles Excise Duty: Rates

Part I — TABLE SUBSTITUTED IN PART II OF SCHEDULE 3 TO THE 1971 ACT AND THE 1972 ACT

Part II — AMENDMENTS OF PART I OF SCHEDULE 4 TO THE 1971 ACT

- 1 Part I of Schedule 4 to the 1971 Act (annual...
- 2 (1) Paragraph 1 (vehicles chargeable at the basic rate of...
- 3 In paragraph 2 for the words “7.5 tonnes” there shall...
- 4 In paragraph 3— (a) in sub-paragraph (1) for the words...
- 5 In paragraph 4(1) for the words “12 tonnes” there shall...
- 6 (1) Paragraph 5 (special types of vehicle) shall be amended...
- 7 (1) Paragraph 6 (farmers’ goods vehicles and showmen’s goods vehicles)...
- 8 Paragraph 7 shall cease to have effect.
- 9 In paragraph 15(1) (interpretation) the following definition shall be inserted...

Part III

- 10
- 11

Part IV — TABLES SUBSTITUTED IN PART II OF SCHEDULE 4 TO THE 1971 ACT AND THE 1972 ACT

SCHEDULE 3 — Entry of Goods on Importation

- 1 The Customs and Excise Management Act 1979 shall be amended...
- 2 (1) Section 37A (initial and supplementary entries) shall be amended...
- 3 (1) Section 37B (postponed entry) shall be amended as follows....
- 4 (1) Section 37C (provisions supplementary to sections 37A and 37B)...

SCHEDULE 4 — Limit on Chargeable Mileage Profit

SCHEDULE 5 — Building Societies and Deposit-Takers

Introduction

- 1 The Taxes Act 1988 shall be amended as mentioned in...

Building societies

- 2 (1) Section 476 (building societies: regulations for payment of tax)...
- 3 (1) Section 477 (investments becoming or ceasing to be relevant)...
- 4 (1) The following section shall be inserted immediately before section...

Deposit-takers

- 5 (1) Section 479 (interest paid on deposits with banks etc.)...
- 6 (1) Section 480 (deposits becoming or ceasing to be composite)...
- 7 (1) The following sections shall be inserted immediately before section...
- 8 (1) Section 481 (definitions of relevant deposit etc.) shall be...
- 9 (1) Section 482 (supplementary provisions) shall be amended as follows....

General

- 10 (1) Section 349 (annual interest etc.) shall be amended as...

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- 11 (1) In section 352(1) (certificates of deduction of tax) for...
- 12 (1) In section 483 (determination of reduced rate for building...
- 13 (1) In section 686 (liability to additional rate tax of...
- 14 (1) In section 687 (payments under discretionary trusts) in subsection...

Management

- 15 In the Table in section 98 of the Taxes Management...

Transitional provision

- 16 (1) In its application to the year 1991-92, section 477A...

SCHEDULE 6 — Life Assurance: Apportionment of Income etc.

- 1 (1) Section 431 of the Taxes Act 1988 shall be...
- 2 After section 431 of the Taxes Act 1988 there shall...
- 3 In section 432(2) of the Taxes Act 1988—
- 4 After section 432 of that Act there shall be inserted—...
- 5 In section 436 of the Taxes Act 1988, in subsection...
- 6
- 7 In section 439 of that Act, for the words from...
- 8 For section 440 of that Act there shall be substituted—...
- 9 (1) In section 724 of the Taxes Act 1988, after...
- 10
- 11 (1) Paragraph 9 above shall be deemed to have come...
- 12 (1) Where at the end of 1989 the assets of...

SCHEDULE 7 — Overseas Life Assurance Business

- 1 In section 76(1)(d) of the Taxes Act 1988, for the...
- 2 In section 231(1) of that Act, for the words “and...
- 3 For section 441 of that Act there shall be substituted—...
- 4 In section 724 of that Act— (a) in subsection (3),...
- 5 After section 804 of that Act there shall be inserted—...
- 6 After Schedule 19 to the Taxes Act 1988 there shall...
- 7 In paragraph 3(4) of Schedule 28 to the Taxes Act...
- 8
- 9 In section 28 of the Capital Allowances Act 1990—
- 10 (1) This Schedule shall apply for accounting periods beginning on...

SCHEDULE 8 —

General

- 1

Exemption for certain linked assets

- 2

Replacement of assets

- 3
- 4
- 5

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Supplementary

6

SCHEDULE 9 — Insurance Companies: Transfers of Long Term Business

Capital gains

1
2

Accounting periods

3 In section 12 of the Taxes Act 1988, after subsection...

Expenses of management and losses

4 The following section shall be inserted after section 444 of...

Capital allowances

5 After section 152 of the Capital Allowances Act 1990 there...

Transfer to friendly society

6 In section 460 of the Taxes Act 1988, after subsection...

Commencement

7 This Schedule shall apply to transfers of business taking place...

SCHEDULE 10 — Convertible Securities
Part I — INTRODUCTION

Qualifying provision for redemption

1 For the purposes of this Schedule a qualifying provision for...

Qualifying convertible securities

2 (1) For the purposes of this Schedule a security is...

Events after issue

3 (1) A security which was a qualifying convertible security at...

Securities becoming subject to later options

4 (1) This paragraph applies where— (a) a security becomes at...

Other later events in relation to securities

5 (1) This paragraph applies where— (a) a prohibited event occurs...

Deep gain

6 (1) For the purposes of this Schedule the amount payable...

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Income period

7 (1) This paragraph applies for the purposes of this Schedule....

Redemption period

8 (1) For the purposes of this Schedule each of the...

Yield to redemption

9 (1) For the purposes of this Schedule the yield to...

Transfer etc.

10 (1) This paragraph applies for the purposes of this Schedule....

Miscellaneous

11 (1) This paragraph applies for the purposes of this Schedule....
Part II — CHARGE TO TAX

The charge

12 (1) For the purposes of this Part of this Schedule...

Chargeable amount

13 (1) For the purposes of paragraph 12 above the chargeable...

Total income element

14 (1) The total income element for the purposes of paragraph...

Income elements

15 (1) This paragraph has effect for the purposes of paragraph...

Death

16 (1) Where an individual who is entitled to a security...

Market value

17 (1) This paragraph applies where a security is transferred from...

Underwriters

18 (1) An underwriting member of Lloyd's shall be treated for...

Trustees

19 (1) Where on a transfer or redemption of a security...

Receipts in United Kingdom

20 (1) Sub-paragraph (2) below applies where— (a) by virtue of...

Charities

21 (1) In a case where— (a) paragraph 12 above would...

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Retirement benefit schemes

22 In a case where— (a) paragraph 12 above would apply...

Stock lending

23 In a case where— (a) a security is the subject...

Identification of securities

24 Section 108 of the Taxation of Chargeable Gains Act 1992...

Part III — THE ISSUING COMPANY

25 (1) In a case where— (a) a qualifying convertible security...

Part IV — AMENDMENTS

(1) Deep discount securities

26 (1) Schedule 4 to the Taxes Act 1988 (deep discount...

(2) Deep gain securities

27 (1) Schedule 11 to the Finance Act 1989 (deep gain...

(3) Corporate bonds

28

Part V — APPLICATION OF SCHEDULE

29 (1) The amendment made by paragraph 27(2) above shall be...

SCHEDULE 11 — European Economic Interest Groupings

Taxation

1 After section 510 of the Taxes Act 1988 there shall...

Management

2 After section 12 of the Taxes Management Act 1970 there...

3 (1) After section 98A of the Taxes Management Act 1970...

4 (1) At the end of section 36 of the Taxes...

Commencement

5 This Schedule shall be deemed to have come into force...

SCHEDULE 12 — Broadcasting: Transfer of Undertakings of Independent Broadcasting Authority and Cable Authority

Transfer of IBA's transmission activities to nominated company: corporation tax

1 (1) Subject to sub-paragraph (2), the following provisions shall apply...

Transfer of IBA's assets to Commission and Radio Authority: chargeable gains

2 (1) For the purposes of the 108 of the Taxation...

Disposal by IBA of DBS assets to DBS programme contractor: chargeable gains

3 (1) For the purposes of the 1979 Act the disposal...

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Transfer of Cable Authority's assets to Commission: chargeable gains

4 For the purposes of the 1992 Act the transfer by...

Transfer of shares from Commission to Channel 4 company: chargeable gains

5 (1) For the purposes of the 1992 Act the transfer...

Apportionment of unallowed capital losses between relevant transferees

6 (1) The unallowed capital losses of the IBA shall be...

Roll-over relief in connection with nominated company

7 Where the IBA have before the transfer date disposed of...

Disputes as to apportionments etc.

8 (1) This paragraph applies where any apportionment or other matter...

Securities of nominated company

9 (1) Any share issued by the nominated company to the...

Interpretation

10 (1) In this Schedule— “ the 1992 Act ” means...

SCHEDULE 13 — Capital Allowances: Miscellaneous Amendments

Hotels in enterprise zones: initial allowances

1 (1) In section 1(2) of the Capital Allowances Act 1990,...

Scientific research allowance: writing off of expenditure

2 (1) In section 8(5)(b) of that Act, for the words...

Disposal value of machinery or plant after succession to trade

3 (1) In section 78 of that Act, after subsection (2)...

Non-resident companies: use of allowances

4 (1) In section 149 of that Act, subsection (2) shall...

Contributions: machinery and plant

5 (1) In section 154(2) of that Act, for the words...

Sale of machinery or plant

6 (1) In section 161(10) of that Act, the words “and...

Assured tenancies allowance

7 (1) In section 832(1) of the Taxes Act 1988, in...

SCHEDULE 14 — Amendments Correcting Errors in the Taxes Act 1988
Part I — AMENDMENTS OF THE TAXES ACT 1988

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- 1 The Taxes Act 1988 shall have effect, and shall be...
- 2 In section 37(1)— (a) for the words “subsection (2) below”...
- 3 In section 213(6), for “(3)(1)(a)” there shall be substituted “...
4 (1) In sections 322(1)(a) and (2) and 323(1), after the...
5 In section 326(2)(a), for the words from “12” to “1969”...
6 In section 377(1)(b), for “(5)” there shall be substituted “(8)”....
7
- 8 In section 478(3), for the words “section (2)” there shall...
- 9 In section 751(1)(a), for the words “the persons” there shall...
- 10 In section 757(7), before the words “the earliest date” there...
- 11 In section 761(1), for the words “and Schedule” there shall...
- 12 In section 773(2), for the words “this section” there shall...
- 13 In paragraph 4(1) of Schedule 16, for “(4)” there shall...

Part II — AMENDMENTS OF OTHER ENACTMENTS

The Taxes Management Act 1970 (c. 9)

- 14 In section 31(3) of the Taxes Management Act 1970, for...
- 15 In section 98 of that Act, in the first column...

The Oil Taxation Act 1975 (c. 22)

- 16 In paragraph 5(2) of Schedule 3 to the Oil Taxation...

The Capital Gains Tax Act 1979 (c. 14)

- 17

The Finance Act 1981 (c. 35)

- 18

Commencement

- 19 (1) Subject to the following provisions of this paragraph, the...

SCHEDULE 15 — Claims for Group Relief

SCHEDULE 16 — Capital Allowances: Claims by Companies

SCHEDULE 17 — Capital Allowances: Assimilation of Claims by Companies to
Claims by Individuals

Introductory

- 1 The Capital Allowances Act 1990 shall be amended as follows....

Industrial buildings and structures

- 2 In section 1 (initial allowances: enterprise zones) in subsection (5)...

Machinery and plant: general

- 3 (1) Section 22 (first-year allowances: transitional relief for regional
projects)...
- 4 (1) Section 23 (information relating to first-year allowances) shall be...

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- 5 (1) Section 24 (writing-down allowances and balancing adjustments) shall be...
- 6 (1) Section 25 (qualifying expenditure) shall be amended as follows....

Machinery and plant: ships

- 7 In section 30 (first-year allowances) in subsection (1)(a) the words...
- 8 In section 31 (writing-down allowances) the following subsection shall be...

Machinery and plant: leased assets and inexpensive cars

- 9 In section 41 (writing-down allowances) in subsection (3) the words...
- 10 In section 46 (recovery of excess relief: new expenditure) in...
- 11 In section 47 (recovery of excess relief: old expenditure) in...
- 12 In section 48 (information relating to allowances made in respect...
- 13 In section 49 (information relating to allowances made in respect...

Machinery and plant: supplementary

- 14 In section 79 (effect of use partly for trade etc....
- 15 In section 80 (effect of subsidies towards wear and tear)...

SCHEDULE 18 — Definition of “Local Authority”

- 1 In section 74(4) of the Finance Act 1952 for “519”...
- 2 Section 52 of the Finance Act 1974 shall cease to...
- 3
- 4 In section 272 of the Inheritance Tax Act 1984, in...
- 5 (1) The Taxes Act 1988 shall be amended as follows....

SCHEDULE 19 — REPEALS

- PART I — CUSTOMS AND EXCISE
- PART II — VEHICLES EXCISE DUTY
- PART III — VALUE ADDED TAX
- PART IV — INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX
- PART V — MANAGEMENT
- PART VI — STAMP DUTY
- PART VII — STAMP DUTY RESERVE TAX
- PART VIII — NATIONAL SAVINGS

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