



Finance (1909-10) Act 1910

1910 CHAPTER 8

PART IV

INCOME TAX.

65 **Income tax for 1909-1910.**

- (1) Income tax for the year beginning on the sixth day of April nineteen hundred and nine shall be charged at the rate of one shilling and twopence.
- (2) All such enactments relating to income tax as were in force on the fifth day of April nineteen hundred and nine shall, subject to the provisions of this Act, have full force and effect with respect to any duties of income tax hereby granted.
- (3) The annual value of any property which has been adopted for the purpose either of income tax under Schedules A. and B. in the Income Tax Act, 1853, or of inhabited house duty, during the year ending on the fifth day of April nineteen hundred and nine shall be taken as the annual value of such property for the same purpose during the next subsequent year ; provided that this subsection—
 - (a) so far as respects the duty on inhabited houses in Scotland, shall be construed with the substitution of the twenty-fourth day of May for the fifth day of April; and
 - (b) shall not apply to the metropolis as defined by the Valuation (Metropolis) Act, 1869.
- (4) Section thirty-eight of the Finance Act, 1894 (which relates to duty on dividends, &c. paid prior to the passing of the Act), shall be applied with respect to the year which commenced on the sixth day of April nineteen hundred and nine, as it was applied with respect to the year which commenced on the sixth day of April eighteen hundred and ninety-four.

66 **Super-tax on incomes over 5,000l.**

- (1) In addition to the income tax charged at the rate of one shilling and twopence under this Act, there shall be charged, levied, and paid for the year beginning on the sixth

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day of April nineteen hundred and nine, in respect of the income of any individual, the total of which from all sources exceeds five thousand pounds, an additional duty of income tax (in this Act referred to as a super-tax) at the rate of sixpence for every pound of the amount by which the total income exceeds three thousand pounds.

(2) For the purposes of the super-tax, the total income of any individual from all sources shall be taken to be the total income of that individual from all sources for the previous year, estimated in the same manner as the total income from all sources is estimated for the purposes of exemptions or abatements under the Income Tax Acts ; but, in estimating the income of the previous year for the purpose of super-tax,—

- (a) there shall be deducted in respect of any land on which income tax is charged upon the annual value estimated otherwise than in relation to profits (in addition to any other deduction) any sum by which the assessment is reduced for the purposes of collection under section thirty-five of the Finance Act, 1894, or on which duty has been repaid under the provisions of this Act relating to the repayment of duty in respect of the cost of maintenance, repairs, insurance, and management; and
- (b) there shall be deducted the amount of any premiums in respect of which relief from income tax may be allowed under section fifty-four of the Income Tax Act, 185-3 (as extended by any subsequent enactment) ; and
- (c) there shall be deducted in the case of a person in the service of the Crown abroad, any such sum as the Treasury may allow for expenses which in their opinion are necessarily incidental to the discharge of the functions of his office and for which an allowance has not already been made ;
- (d) Any income which is chargeable with income tax by way of deduction shall be deemed to be income of the year in which it is receivable, and any deductions allowable on account of any annual sums paid out of the property or profits of the individual shall be allowed as deductions in respect of the year in which they are payable, notwithstanding that the income or the annual sums, as the case may be, accrued in whole or in part before that year.

67 Further relief in respect of earned incomes.

Section nineteen of the Finance Act, 1907, shall apply to any individual who claims and proves, in manner provided by that section, that his total income from all sources exceeds two thousand pounds and does not exceed three thousand pounds, as if one shilling were substituted for ninepence, and as if, as respects any such individual, the thirty-first day of July nineteen hundred and ten were substituted for the thirtieth day of September nineteen hundred and seven.

68 Relief in respect of children.

(1) If any individual who has been assessed or charged to income tax, or has paid income tax either by deduction or otherwise, claims and proves, in manner prescribed by the Income Tax Acts, that his total income from all sources, although exceeding one hundred and sixty pounds, does not exceed five hundred pounds, and that he has a child or children living and under the age of sixteen years at the commencement of the year for which the income tax is charged, he shall be entitled, in respect of every such child, to relief from income tax equal to the amount of the income tax upon ten pounds.

The expression " child " and the expression " children " in this provision includes stepchild or stepchildren, but does not include illegitimate child or illegitimate

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children : Provided that where the parents of any illegitimate child or children shall, after the birth of such child or children, have married each other, such illegitimate child or children shall be included in the expression " child " and " children. "

- (2) Any relief under this section shall be given either by reduction of the assessment, or repayment of the excess which has been paid, or by both those means, as the case may require.
- (3) Subsections (2) and (3) of section nineteen of the Finance Act, 1907, shall be construed as if this section were mentioned therein as well as section eight of the Finance Act, 1898, and section fifty-four of the Income Tax Act, 1853, and the provisions of the Income Tax Acts, which relate to claims for exemption, relief, or abatement, or the proof to be given with respect to those claims shall apply to claims for relief under this section, and the proof to be given with respect to those claims.

69 Extension of relief from income tax under Schedule A.

- (1) If the owner of any land or houses to which this section applies shows that the cost to him of maintenance, repairs, insurance, and management, according to the average of the preceding .five years, has exceeded, in the case of land, ' one-eighth part of the annual value of the land as adopted for the purpose of income tax under Schedule A, and in the case of houses one-sixth part of that value, he shall be entitled, in addition to any reduction of the assessment under section thirty-five of the Finance Act, 1894, on making a claim for the purpose, to repayment of the amount of the duty on the excess, not exceeding in the case of land one-eighth part, and in the case of houses one-twelfth part, of the duty on an amount equal to the annual value.

For the purposes of this section the term " maintenance " shall include the replacement of farm-houses, farm buildings, cottages, fences, and other works where the replacement is necessary to maintain the existing rent.

- (2) This section shall apply to any land (inclusive of farmhouses and other buildings, if any) the assessment on which is, for the purpose of collection, reduced under section thirty-five of the Finance Act, 1894, and to any houses the annual value of which, as adopted for the purpose of income tax under Schedule A, does not exceed eight pounds, the assessment on which is so reduced.
- (3) In comparing the cost of maintenance, repairs, insurance, and management of any land or houses for the purpose of this section with the annual value of the land or houses, the total cost of the maintenance, repairs, insurance, and management on any land managed as one estate, or of any houses on any such land, shall be compared with the total annual value of the land or houses as the case may be.
- (4) All the provisions of the Income Tax Acts which relate to claims for exemption, relief, or abatement, or the proof to be given with respect to those claims, shall apply to claims for repayment under this section and the proof to be given with respect to those claims:

Provided that if the owner of any land or house makes and delivers to the surveyor of taxes of any district in which the land or house is wholly or partly situate a declaration as to the cost to him of maintenance, repairs, insurance, and management, and the surveyor is satisfied as to the correctness of the declaration, the amount of the allowance to which the owner is entitled under this section shall be certified by the surveyor, and repayment shall thereupon be made in accordance with his certificate.

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- (5) In computing the five-year average for the purposes of this section, the year shall be taken to be the year ending on the thirty-first day of March, or such other date as may be adopted by the owner of the land or houses with the consent of the surveyor of taxes of the district, and the five preceding years shall be taken to be those preceding the commencement of the year for which the duty in respect of which a claim for repayment is made is charged.

70 Extension of exemption for provident funds of friendly societies and trade unions.

The exemption from income tax granted by the Income Tax Acts to a friendly society, and by the Trade Union (Provident Funds) Act, 1893, to a registered trade union, by the rules of which "it appears that the sums assured to any person by the society or union do not exceed if by way of gross sum two hundred pounds, or if by way of an annuity thirty pounds a year, shall extend to any registered friendly society and to any registered trade union, ; if the society or union are restricted either by virtue of any Act of Parliament or by their rules from assuring to any person any sum exceeding three hundred pounds by way of gross sum or fifty-two pounds a year by way of annuity.

71 Exemptions and abatements in case of persons not resident in the United Kingdom.

- (1) No exemption, abatement, or relief under the Income Tax Acts which depends wholly or partially on the total income of an individual from all sources shall be given to any person, unless the person claiming the exemption, abatement, or relief is resident in the United Kingdom :

Provided that any person who is or has been employed in the service of the Crown or who is employed in the service of any missionary society abroad or in the service of any of the native states under the protectorate of the British Crown, and any person resident in the Isle of Man or Channel Islands and any person resident abroad who satisfies the Commissioners that he is so resident for the sake of health, shall be entitled to any relief, exemption, or abatement to which he would be entitled if he were resident in the United Kingdom, and if his total income from all sources were calculated as including any income in respect of which income tax may not be chargeable as well as income in respect of which income tax is chargeable.

- (2) Income tax shall not be payable in respect of the interest or dividends of any securities of a foreign State or a British possession which are payable in the United Kingdom, where it is proved to the satisfaction of the Commissioners that the person owning the securities and entitled to the interest or dividends is not resident in the United Kingdom; but, save as provided by this or any other Act, no allowance shall be given or repayment made in respect of the income tax on the interest or dividends on the securities of any foreign State or any British possession which are payable in the United Kingdom.

Relief from income tax under this subsection may be given by the Commissioners either by way of allowance or repayment on a claim being made to them for the purpose within six months of the end of the year for which the income tax is charged.

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72 Special provisions as to assessment of super-tax.

- (1) The super-tax shall be assessed and charged by the Commissioners for the special purposes of the Acts relating to income tax (in this Act referred to as the Special Commissioners).
- (2) Every person upon whom notice is served in manner prescribed by regulations under this section by the Special Commissioners requiring him to make a return of his total income from all sources or, in the case of a notice served upon any person who is chargeable with or liable to be assessed to income tax under section forty-one of the Income Tax Act, 1842, or section twenty-four of the Customs and Inland Revenue Act, 1890, as representing an incapacitated, non-resident, or deceased person, of the total income from all sources of the incapacitated, non-resident, or deceased person, shall, whether he is or is not chargeable with the super-tax, make such a return in the form and within the time required by the notice.
- (3) It shall be the duty of every person chargeable with the super-tax to give notice that he is chargeable to the Special Commissioners before the thirtieth day of September in the year for which the super-tax is chargeable : Provided that for the purpose of this provision the thirty-first day of July nineteen hundred and ten shall, as respects the year beginning on the sixth day of April nineteen hundred and nine, be substituted for the thirtieth day of September of that year.
- (4) If any person without reasonable excuse fails to make any return or to give any notice required by this section, he shall be liable to a penalty not exceeding fifty pounds, and after judgment has been given for that penalty to a further penalty of the like amount for every day during which the failure continues.

Any penalty under this provision shall be recoverable in the High Court, or in Scotland in the Court of Session.
- (5) If any person fails to make a return under this section, or if the Special Commissioners are not satisfied with any return made under this section, the Special Commissioners may make an assessment of the super-tax according to the best of their judgment.
- (6) All provisions of the Income Tax Acts relating to persons who are to be chargeable with duty, assessments, and appeals against those assessments, and to the collection and recovery of duty, and to cases to be stated for the opinion of the High Court shall, so far as they are applicable, apply to the charge, assessment, collection, and recovery of duty under this section, and the Special Commissioners shall, for the purpose of assessment, have any powers of an inspector or surveyor of taxes, and for the purpose of the representation of the Crown on any appeal before the Special Commissioners, any person nominated in that behalf by the Commissioners of Inland Revenue shall have the same powers at and upon the determination of the appeal as a surveyor of taxes has at and upon the determination of any appeal under the Income Tax Acts.
- (7) The Special Commissioners may amend any assessment made by them under this section, or make an assessment or an additional assessment, during any time within the year of assessment, or within three years after the expiration thereof.
- (8) The Commissioners may make regulations for the purpose of carrying this section into effect.