



# Finance Act 1956

## 1956 CHAPTER 54

### PART IV

#### THE PROFITS TAX

#### **29 Increase of profits tax**

- (1) As from the end of March, nineteen hundred and fifty-six, the enactments relating to the profits tax shall be amended by substituting—
  - (a) thirty per cent. for twenty-seven and a half per cent. as the rate of any tax not being a distribution charge; and
  - (b) twenty-seven per cent. for twenty-five per cent. as the rate of any relief for non-distribution.
- (2) As from the end of that month, the rate of any distribution charge under the said enactments shall be twenty-seven per cent.:

Provided that—

- (a) the amount on which the charge is at that rate for any chargeable accounting period of a trade or business shall not, when added to the total of the amounts, if any, on which for previous chargeable accounting periods there have fallen to be made distribution charges at that rate (including so much of any distribution charge partly at that rate and partly not as is at that rate), exceed the total of the amounts on which reliefs for non-distribution have been given at that rate for previous chargeable accounting periods ; and
  - (b) on the amount on which under the foregoing proviso the charge cannot be at that rate, it shall be at the rate or rates determined in accordance with paragraph 1 of the Second Schedule to the Finance (No. 2) Act, 1955.
- (3) As respects accounting periods of a trade or business ending after the end of the said month, the said enactments shall have effect subject to the provisions contained in the Fourth Schedule to this Act.