



Finance Act 1930

1930 CHAPTER 28

PART I

CUSTOMS AND EXCISE

1 Increased excise duty on beer

- (1) In lieu of the duty of excise payable in respect of beer brewed in the United Kingdom there shall, as from the fifteenth day of April, nineteen hundred and thirty, be charged, levied, and paid the following duty (that is to say):—

	£	s.	d.
For every thirty-six gallons of worts of a specific gravity of one thousand and fifty-five degrees	5	3	0

and in lieu of the drawback of excise payable in respect of beer exported from the United Kingdom, as merchandise or for use as ship's stores, there shall be allowed and paid in respect of beer on which it is shown that the increased excise duty charged by this Act has been paid a drawback calculated according to the original gravity thereof (that is to say):—

	£	s.	d.
For every thirty-six gallons of beer of an original gravity of one thousand and fifty-	5	3	3

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	£	s.	d.
five degrees the drawback of			

and so, as to both duty and drawback, in proportion for any difference in quantity or gravity.

- (2) Nothing in this section shall affect the provisions of section seven of the Finance Act, 1925, with respect to the additional excise drawback to be allowed in respect of beer under the said section.

2 Increased customs duties on beer

- (1) In lieu of the duties of customs payable on beer of the descriptions called or similar to mum, spruce or black beer, or Berlin white beer, or other preparations, whether fermented or not fermented, of a similar character imported into the United Kingdom, there shall, as from the fifteenth day of April, nineteen hundred and thirty, be charged, levied, and paid the following duties, that is to say:—

	£	s.	d.
For every thirty-six gallons of beer where the worts thereof are, or were before fermentation, of a specific gravity—			
Not exceeding one thousand two hundred and fifteen degrees	20	14	0
Exceeding one thousand two hundred and fifteen degrees	24	5	0

- (2) In lieu of the duty of customs payable on every description of beer other than those specified in the preceding subsection imported into the United Kingdom there shall, as from the fifteenth day of April, nineteen hundred and thirty, be charged, levied, and paid the following duty, that is to say :—

	£	s.	d.
For every thirty-six gallons where the worts thereof were before fermentation of a specific gravity of one thousand and fifty-five degrees	5	3	6

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- (3) In lieu of the customs drawback now payable there shall be allowed and paid on the exportation, or shipment for use as stores, of beer imported into the United Kingdom, on which it is shown that the increased customs duty charged by this Act has been paid, a drawback calculated according to the original gravity thereof, that is to say:—

	£	s.	d.
For every thirty-six gallons of an original gravity of one thousand and fifty-five degrees the drawback of	5	3	3

- (4) In the case of beer which is of a gravity different from the gravity aforesaid, the duty or the drawback, as the case may be, shall be varied proportionately.
- (5) Nothing in this section shall affect the provisions of section seven of the Finance Act, 1925, with respect to the additional duty of customs on beer and the additional customs drawback in respect of beer to be paid and allowed respectively under the said section.

3 Annual value of premises in London for purpose of duty on excise licences

As from the sixth day of April, nineteen hundred and thirty-one, the provisions of subsection (2) of section twelve of the Finance Act, 1924 (which provides that in certain cases a person applying for an excise licence may require the Commissioners of Customs and Excise to assess the annual value of the premises for the purposes of the duty upon that licence as if there were no income tax value applicable), shall apply to premises in the administrative county of London as they apply to premises situate elsewhere in Great Britain.

4 Abolition of duties on bookmakers' certificates and entry certificates

The excise duties chargeable under section fifteen of the Finance Act, 1926, on a bookmaker's certificate and on an entry certificate shall cease to be charged after the thirty-first day of October, nineteen hundred and thirty.

5 Abolition of customs duties under Part II of 11 & 12 Geo.5 c.47

Section three of the Safeguarding of Industries Act, 1921, which imposes duties of customs on goods to which Part II of that Act applies, shall cease to have effect.

6 Amendment with respect to duties on licences for mechanically propelled vehicles

- (1) As from the first day of January, nineteen hundred and thirty-one, section thirteen of the Finance Act, 1920 (which imposes duties of excise in respect of mechanically propelled vehicles), shall have effect as if at the end of the Second Schedule to the said Act, there were inserted the following paragraph—

“A vehicle shall not be deemed to be an electrically propelled vehicle within the meaning of this Schedule unless the electrical motive power is derived either from

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a source external to the vehicle or from an electrical storage battery which is not connected to any source of power when the vehicle is in motion.”

(2) As from the first day of July, nineteen hundred and thirty, the said Second Schedule shall be amended as follows:—

(a) In paragraph 1 for the words—

	“£	s.	d.
Bicycles—			
Not exceeding 200 lbs. in weight unladen	1	10	0
Exceeding 200 lbs. in weight unladen	3	0	0”

there shall be substituted the words—

	“£	s.	d.
Bicycles—			
Not exceeding 224 lbs. in weight unladen	1	10	0
Exceeding 224 lbs. in weight unladen	3	0	0”

(b) In sub-paragraph (d) of paragraph 5 of the said Schedule, for the words—

	“£	s.	d.	£	s.	d.
Exceeding 2 tons, but not exceeding 3 tons in weight unladen	32	0	0	40	0	0”

there shall be substituted the words—

	“£	s.	d.	£	s.	d.
Exceeding 2 tons, but not exceeding 2 ½ tons in weight unladen	28	0	0	35	0	0
Exceeding 2 ½ tons,	32	0	0	40	0	0”

but not exceeding 3 tons in weight unladen	“£	s.	d.	£	s.	d.
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- (3) Any person who is the holder of a licence which was taken out before the first day of July, nineteen hundred and thirty, in respect of any vehicle to which subsection (2) of this section applies shall on surrendering the licence to the council of the county or county borough with which the vehicle is for the time being registered, be entitled to be repaid a sum which bears to the difference between the duty paid and the duty which would have been payable if the duty had been chargeable at the rates prescribed by the said subsection (2) the same proportion as the period of the licence unexpired on the said first day of July bears to the whole period for which the licence was taken out, and subsection (2) of section fourteen of the Finance Act, 1926 (which relates to the enforcement of repayments in respect of over-payments of duty on licences for mechanically-propelled vehicles), shall apply as if the holder of the licence were entitled to a repayment in respect of an over-payment of duty.

7 Relief from duty in case of hydrocarbon oil used on board lifeboats

Subsection (8) of section two of the Finance Act, 1928, which provides for the repayment of duty paid in respect of hydrocarbon oil used on board fishing boats, shall be extended so as to apply to duty paid in respect of hydrocarbon oil used on board lifeboats owned by the Royal National Lifeboat Institution, or for the purposes of any tractor or gear owned by the said institution and used for the purpose of launching or hauling in any such lifeboats.

PART II

INCOME TAX

Charge and Rates of Tax

8 Income tax for 1930-31

- (1) Income tax for the year 1930-31 shall be charged at the standard rate of four shillings and sixpence in the pound, and, in the case of an individual whose total income from all sources exceeds two thousand pounds, at such higher rates in respect of the excess over two thousand pounds as Parliament may hereafter determine.
- (2) All such enactments as had effect with respect to the income tax charged for the year 1929-30 shall have effect with respect to the income tax charged for the year 1930-31.
- (3) The annual value of any property which has been adopted for the purpose of income tax under Schedules A and B for the year 1929-30 shall be taken as the annual value of that property for the same purpose for the year 1930-31:

Provided that this subsection shall not apply to lands, tenements and hereditaments in the administrative county of London with respect to which the valuation list under

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the Valuation (Metropolis) Act, 1869, is by that Act made conclusive for the purposes of income tax.

9 Alteration of higher rates of income tax for 1929-30

Income tax for the year 1929-30 in respect of the excess of the total income of an individual over two thousand pounds shall, instead of being charged in pursuance of section one of the Finance Act, 1929, at the same higher rates as were charged for the year 1928-29, be charged at rates in the pound which exceed the standard rate by the amounts specified in the second column of the following Table:—

TABLE.

In respect of the first five hundred pounds of the excess	One shilling.
In respect of the next five hundred pounds of the excess	One shilling and threepence.
In respect of the next, one thousand pounds of the excess	Two shillings
In respect of the next one thousand pounds of the excess	Three shillings.
In respect of the next one thousand pounds of the excess	Three shillings and sixpence.
In respect of the next two thousand pounds of the excess	Four shillings.
In respect of the next two thousand pounds of the excess	Five shillings.
In respect of the next five thousand pounds of the excess	Five shillings and sixpence.
In respect of the next five thousand pounds of the excess	Six shillings.
In respect of the next ten thousand pounds of the excess	Six shillings and sixpence.
In respect of the next twenty-thousand pounds of the excess	Seven shillings.
In respect of the remainder of the excess	Seven shillings and sixpence.

Miscellaneous

10 Amendment of s. 40 (2) of Finance Act, 1927

For the words " one-half " and the words " two hundred and twenty-five pounds " in subsection (2) of section forty of the Finance Act, 1927 (which provides for a further deduction of tax equal to one-half of the tax remaining chargeable after the deductions therein referred to have been made or to one-half the tax at the standard rate on two

hundred and twenty-five pounds, whichever is the less), there shall be substituted respectively the words " five-ninths " and the words " two hundred and fifty pounds."

11 Amendment as to relief in respect of life insurance premiums

Section thirty-two of the Income Tax Act, 1918 (which relates to relief from tax in respect of life insurance premiums), shall, as amended by the Finance Act, 1920, have effect as if at the end of subsection (3) there were inserted the following new paragraph :—

- “(f) shall, as regards premiums or sums in respect of which the claimant would but for this restriction be entitled to an allowance at half the standard rate of tax, be given at a rate of tax greater than four-ninths of the standard rate—
- (i) where the taxable income of the claimant does not exceed two hundred and fifty pounds; or
 - (ii) where the taxable income of the claimant exceeds two hundred and fifty pounds, in respect of the amount, if any, by which the premiums or sums exceed the amount by which the taxable income exceeds two hundred and fifty pounds;

In this paragraph the expression " taxable income," in relation to any person, means the total income of that person, estimated in accordance with the provisions of the Income Tax Acts as they apply to income tax chargeable at the standard rate less any amount on which he is, by virtue of subsection (1) of section forty of the Finance Act, 1927, entitled to relief by way of a deduction of tax.”

12 Deduction of tax

- (1) If in any year of assessment a resolution having statutory effect under the Provisional Collection of Taxes Act, 1913, provides for the charging of income tax at a standard rate lower than that charged for the previous year, the following provisions shall have effect with respect to deductions in respect of income tax by_ any body corporate, under Rule 19 of the General Rules from payments of interest on any of its securities, or under Rule 20 of the General Rules from payments of preference dividends on any of its shares—
- (a) any deduction, which was made before the expiration of one month from the passing of the resolution and which would if the tax had been renewed at the rate imposed for the previous year have been a legal deduction, shall be deemed to be a deduction rendered legal by section two of the said Act, and the said section two shall, subject to the provisions of this section, apply accordingly;
 - (b) any over-deduction to be made good under the said section two may be made good by a reduction of the amount of tax deducted from the next payment of like nature made on the security or share in question after the passing of the Act imposing the tax for the year:

Provided that the foregoing provision shall not authorise the retention of any part of the amount over-deducted for more than one year from the passing of the Act so imposing the tax;
 - (c) any amount made good under the said section two shall—

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- (i) "in the case of an over-deduction which is made good under paragraph (b) of this subsection, enure to the benefit of the person entitled to the payment on the occasion of which the over-deduction is made good; and
 - (ii) in any other case, enure to the benefit of the person entitled to the security "or share in question at the date when the amount is made good,
- irrespective, in either case, of whether or not he is the person who was entitled to the payment, or to the security or share, at the date when the original deduction was made.
- (2) Subsection (2) of section two hundred and eleven of the Income Tax Act, 1918 (which makes provision as to the deduction in any year of income tax which has not been deducted before the passing of the Finance Act for the year), shall apply with respect to—
- (a) any preference dividend from which a deduction of tax may be made under Rule 20 of the General Rules; and
 - (b) any payment for or in respect of copyright to which section twenty-five of the Finance Act, 1927, applies; and
 - (c) any royalty, or other sum, paid in respect of the user of a patent,
- as it applies with respect to rent, interest, annuity or any other annual payment.
- (3) Where on payment of a dividend (not being a preference dividend within the meaning of this section), income tax has, under Rule 20 of the General Rules, been deducted therefrom by reference to a standard rate of tax greater or less than the standard rate for the year in which the dividend became due, the net amount received shall, for all the purposes of the Income Tax Acts, be deemed to represent income of such an amount as would, after deduction of tax by reference to the standard rate last-mentioned, be equal to the net amount received, and for the said purposes there shall in respect of that income be deemed to have been paid by deduction tax of such an amount as is equal to the amount of tax on that income computed by reference to the standard rate last-mentioned.
- (4) In this section the expression "preference dividend " means—
- (a) a dividend payable on a preferred share at a fixed gross rate per cent.; or
 - (b) where a dividend is payable on a preferred share partly at a fixed gross rate per cent and partly at a variable rate, such part of that dividend as is payable at a fixed gross rate per cent.,
- and the expression " share " includes stock.

13 Interest on loans used for payment of premiums, & c, not to be allowed as deduction for supertax purposes

- (1) Subject to the provisions of this section, in computing for the purposes of sur-tax the total income for any year of an individual who has entered into a contract of assurance, no deduction shall be allowed in respect of any interest on any borrowed money which has been applied directly or indirectly to or towards the payment of any premium under that contract, or of any sum paid in lieu of any such premium.
- (2) Where the benefit of a contract of assurance entered into by any person has become vested in another person, being an individual, subsection (1) of this section shall apply in relation to that individual—

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- (a) as if the contract had been a contract entered into by him; and
 - (b) in a case where the benefit of the contract became vested in him by virtue of an assignment and any payment was made by him in consideration of the assignment, as if that payment were the payment of a premium under the contract; and
 - (c) in a case where, either as being the person in whom the said benefit is vested, or by reason of any agreement under or in pursuance of which the said benefit became vested in him, he pays any interest on any borrowed money, as if that money had been applied to the payment of a premium under the contract.
- (3) This section shall not, where the interest is payable at a rate not exceeding ten per cent. per annum, apply to—
- (a) interest on borrowed money applied to or towards the payment of any premium under a contract of assurance entered into before the fifteenth day of April, nineteen hundred and thirty which assures a fixed capital sum payable either—
 - (i) on death only; or
 - (ii) on the expiration of a period of not less than ten years from the date of the commencement of the contract or on earlier death;
 - (b) interest on money borrowed before the sixth day of April, nineteen hundred and twenty-nine, unless
 - (i) the money was borrowed from an assurance company; and
 - (ii) the repayment thereof was secured on a contract of assurance; and
 - (iii) the premium in question was a premium under that contract;
 - (c) interest on money borrowed mainly on the security of property other than a contract of assurance, if the premium in question either—
 - (i) is payable under a contract of assurance entered into in order to provide against the failure of a contingent interest in any property, and to serve as additional security for the loan and for no other purpose; or
 - (ii) is the first of a series of premiums payable under a contract of assurance entered into solely in order to provide for the repayment of the money borrowed and does not exceed ten per cent. of the sum assured under that contract;
 - (d) interest on borrowed money applied to or towards the payment of premiums under a contract of assurance which assures throughout the term of the contract a capital sum payable on death, if neither the amount of the first premium under the contract nor the amount subsequently payable by way of premiums thereunder in respect of any period of twelve months exceeds one-eighth of the capital sum payable on death;
 - (e) interest on borrowed money applied to or towards the payment of premiums (not being premiums such as those specified in the preceding paragraphs of this subsection) each of which is one of a series of equal premiums payable at equal intervals of not more than one year, except so far as such interest exceeds in the year of assessment one hundred pounds in all.
- (4) The provisions of section twenty-two of the Finance Act, 1922, with regard to the delivery of particulars as to deductions claimed to be allowed, shall be extended so as to enable the special commissioners to require such particulars with respect to deductions and otherwise as they may consider necessary for the purpose of carrying this section into effect.

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(5) In this section—

- (a) the expression " contract of assurance " means a contract of assurance or a contract similar in character to a contract of assurance, being in either case a contract under which a capital sum is expressed to be payable in the future in return for one or more antecedent payments, and the expression " premium " means any such antecedent payment;
- (b) the expression " interest" includes any sum payable in respect of any borrowed money;
- (c) any reference to borrowed money applied to or towards any payment shall be deemed to include a reference to borrowed money applied directly or indirectly to or towards the replacement of any money so applied;
- (d) any reference to a capital sum payable on death under a contract of assurance shall be construed as a reference to the actual capital sum assured on death, exclusive of any addition which has arisen or may arise from any bonus, share of profits, return of premiums or otherwise, and in the case of a contract under which different capital sums are payable on death in different events, as a reference to the least of those sums.

14 Amendment of s. 34 of Finance Act, 1926

The following shall be substituted for subsection (1) of section thirty-four of the Finance Act, 1926:—

“(1) Where in the case of any trade, profession or vocation, or of the occupation of any land occupied solely or mainly for the purposes of husbandry, or of the occupation of any woodlands, an account has or accounts have been made up to a date or dates within the period of three years immediately preceding the year of assessment—

- (a) if an account was made up to a date within the year preceding the year of assessment and that account was the only account made up to a date in that year and was for a period of one year beginning either at the commencement of the trade, profession, vocation or occupation, or at the end of the period on the profits or gains of which the assessment for the last preceding year of assessment was to be computed, the profits or gains of the year ending on that date shall be taken to be the profits or gains of the year preceding the year of assessment;
- (b) in any case to which the provisions of paragraph (a) do not apply the Commissioners of Inland Revenue shall decide what period of twelve months ending on a date within the year preceding the year of assessment shall be deemed to be the year the profits or gains of which are to be taken to be the profits or gains of the year preceding the year of assessment.”

15 Provision as to computation of profits and gains for purpose of charge to tax in two years next after the year in which trade, & c, set up or commenced

- (1) In this section the expression "charged" means charged to income tax in respect of the profits or gains of a trade, profession or vocation, and the expressions " the second year of assessment " and " the third year of assessment" in relation to the charge of income tax in respect of the profits or gains of any trade, profession or vocation mean

respectively the year next after and the year next but one after the year of assessment in which that trade, profession or vocation was set up or commenced.

- (2) The person charged or liable to be charged shall be entitled, on giving notice in writing to the surveyor within two years after the end of the second year of assessment to require that tax shall be charged for both the second year of assessment and the third year of assessment (but not for one or other only of those years) on the amount of the profits or gains of each such year respectively:

Provided that he may by notice in writing given to the surveyor within twelve months after the end of the third year of assessment revoke the notice and in such case tax shall be charged for both the second year of assessment and the third year of assessment as if the first notice had never been given.

- (3) If at any time during the second or third year of assessment, any such change as is mentioned in paragraph (1) of Rule 11 of the Rules applicable to Cases I. and II. of Schedule D occurs in the persons engaged in the trade, profession, or vocation, a notice for the purposes of the last preceding subsection or of the proviso thereto, must, if given after the occurrence of the change,—
- (a) in the case of a notice given within twelve months after the end of the second year of assessment, be signed by each of the persons who were engaged in the trade, profession, or vocation, at any time between the commencement of the second year of assessment and the giving of the notice, or, in the case of a deceased person, by his legal representatives; and
 - (b) in the case of a notice given after the end of the third year of assessment, be signed by each of the persons who were engaged in the trade, profession, or vocation, at any time during the second or third year of assessment, or, in the case of a deceased person, by his legal representatives.
- (4) In the case of the death of a person who, if he had not died, would, under the provisions of this section have become chargeable to income tax for any year, the tax which would have been so chargeable shall be assessed and charged upon his executors or administrators and shall be a debt due from and payable out of his estate.
- (5) There shall be made such additional assessments, reductions of assessments or repayments of tax as may in any case be required in order to give effect to the foregoing provisions of this section.
- (6) This section shall apply in relation to trades, professions or vocations set up or commenced in the year 1928-29 or any subsequent year of assessment:

Provided that in the case of a trade, profession or vocation set up or commenced in the year 1928-29 the person charged may, instead of giving notice under subsection (2) of this section, give notice under proviso (a) to subsection (1) of section twenty-nine of the Finance Act, 1926, and shall, if he so gives notice, be entitled to be charged under the said proviso for the year 1929-30.

16 Amendment of Rule 11 of Rules applicable to Cases I and II of Schedule D

The proviso to paragraph (1) of Rule 11 of the Rules applicable to Cases I and II of Schedule D shall, in relation to cases where the change occurs after the fifth day of April, nineteen hundred and thirty, have effect as if for the words " three months after the change took place" there were substituted the words " twelve months after the change took place. "

Status: This is the original version (as it was originally enacted).

17 Relief from double taxation on certain profits arising through an agency

(1) Subject to the provisions of this section if His Majesty in Council is pleased to declare—

- (a) that any profits or gains arising directly or indirectly to a person resident in any foreign state or in any part of His Majesty's dominions outside the United Kingdom through an agency in the United Kingdom or to a person resident in the United Kingdom through an agency in any foreign state or in any part of His Majesty's dominions outside the United Kingdom are chargeable both to United Kingdom income tax and to income tax payable under the law in force in that foreign state or that part of His Majesty's dominions; and
- (b) that arrangements as specified in the declaration have been made with the Government concerned with a view to the granting of relief from such double taxation,

then, unless and until the declaration is revoked by His Majesty in Council, the arrangements specified therein shall, so far as they relate to the relief to be granted from United Kingdom income tax, have effect as if enacted in this Act, but only if and so long as the arrangements, so far as they relate to the relief to be granted from the income tax payable in the foreign state or in the part of His Majesty's dominions, have the effect of law in the foreign state or the part of His Majesty's dominions:

Provided that no arrangements made under this section shall exempt from United Kingdom income tax any profits or gains which either—

- (i) arise from the sale of goods from a stock in the United Kingdom; or
 - (ii) accrue to a person resident in the United Kingdom; or
 - (iii) accrue to a person not resident in the United Kingdom directly or indirectly through any branch or management in the United Kingdom or through any agency in the United Kingdom where the agent has and habitually exercises a general authority to negotiate and conclude contracts.
- (2) Any declaration made by His Majesty in Council under this section shall be laid before the Commons House of Parliament as soon as may be after it is made and, if an address is presented to His Majesty by that House within twenty-one days on which that House has sat next after the declaration is laid before it, praying that the declaration may be revoked, His Majesty in Council may revoke the declaration and the arrangements specified in the declaration shall thereupon cease to have effect, but without prejudice to the validity of anything previously done thereunder or to the making of a new declaration.
- (3) The obligation as to secrecy imposed by any enactment with regard to income tax shall not prevent the disclosure to any authorised officer of the foreign state or part of His Majesty's dominions mentioned in the declaration of such facts as may be necessary to enable relief to be duly given in accordance with the arrangements specified in the declaration.
- (4) In this section the expression " His Majesty's dominions " includes any territory which is under His Majesty's protection or in respect of which a mandate on behalf of the League of Nations has been accepted by His Majesty and is being exercised by the Government of some part of His Majesty's dominions.

18 Computation of amount of copyright royalties taxed by deduction

- (1) Where any payment to which section twenty-five of the Finance Act, 1927, applies (which section provides for the taxation of copyright royalties by deduction in cases where the usual place of abode of the owner of the copyright is not within the United Kingdom) is made through an agent resident in the United Kingdom, and that agent is entitled as against the owner of the copyright to deduct any sum by way of commission in respect of services rendered, the amount of the payment shall for the purpose of Rule 21 of the general rules be taken to be the amount thereof as diminished by the sum which the agent is so entitled to deduct:

Provided that, where the person by or through whom any such payment is made does not know that any such commission is payable or does not know the amount thereof, any tax deducted by or assessed and charged on him shall be computed in the first instance on, and the account to be delivered of the payment shall be an account of, the total amount of the payment without regard being had to any diminution thereof, and in that case, on proof of the facts to the satisfaction of the special commissioners, there shall be made to the agent on behalf of the owner of the copyright such payment of tax as is proper in respect of the sum deducted by way of commission.

- (2) Subsection (1) of this section shall apply to payments made after the fifth day of April, nineteen hundred and thirty, and any tax deducted in relation to any such payment made before the passing of this Act in excess of the tax which it would have been proper to deduct if this section had been in force shall be made good, and, on proof of the facts to the satisfaction of the special commissioners, any corresponding excess of tax which has been paid shall be repaid.
- (3) The time of the making of a payment to which section twenty-five of the Finance Act, 1927, applies shall, for all the purposes of the Income Tax Acts, be taken to be the time when it is made by the person by whom it is first made and not the time when it is made by or through any other person.

19 Amendment of s. 32 of 11 & 12 Geo. 5. c. 32

Section thirty-two of the Finance Act, 1921 (which grants exemption from income tax in respect of the income of certain superannuation funds), shall have effect as if for paragraph (b) in subsection (3) thereof there were substituted the following paragraph :

“(b) The fund has for its sole purpose the provision of annuities for all or any of the following persons in the events respectively specified, that is to say, for persons employed in the trade or undertaking, either on retirement at a specified age, or on becoming incapacitated at some earlier age, or for the widows, children, or dependants of persons who are or have been so employed, on the death of those persons.”

20 Exemption from income tax of income arising from office or employment of consul or official agent

- (1) Subject to the provisions of this section, income arising from any office or employment to which this section applies shall be exempt from income tax, and no account shall be taken of any such income in estimating the amount of income for any of the purposes of the Income Tax Acts.

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- (2) The offices and employments to which this section applies are the following, that is to say:—
- (a) the office of a consul in the United Kingdom in the service of any foreign state;
 - (b) the employment of an official agent in the United Kingdom for any foreign state, not being an employment exercised by a British subject or exercised in connection with any trade, business or other undertaking carried on for the purposes of profit.
- (3) In this section the expression " consul" means a person recognised by His Majesty as being a consul-general, consul, vice-consul or consular agent, and the expression " official agent " means a person not being a consul, who is employed on the staff of any consulate, official department or agency of a foreign state, not being a department or agency which carries on any trade, business or other undertaking for the purposes of profit.

21 Relief in respect of unoccupied tenements in houses let in different tenements

If, on an application made to the Commissioners of Inland Revenue not later than twelve months after the end of any year of assessment it is shown to the satisfaction of the said Commissioners that any apartment or tenement in any house or building let in different apartments or tenements and occupied by two or more persons severally was unoccupied during that year or any part of that year, the said Commissioners shall cause such relief to be given from tax charged under Schedule A in respect of that house or building as appears to them to be just and shall, where necessary, direct repayment to be made of any tax which has been overpaid.

22 Applications by spouses for separate assessment to income tax or surtax to have effect until revoked

- (1) Subject to the provisions of this section an application duly made, whether before or after the passing of this Act, by a husband or a wife—
- (a) under Rule 17 of the general rules for separate assessment to income tax for the year 1930-31 or any subsequent year of assessment; or
 - (b) under subsection (9) of section forty-two of the Finance Act, 1927, for separate assessment to sur-tax for the year 1929-30 or any subsequent year of assessment;
- shall have effect not only as respects the year of assessment for which it is made but also for any subsequent year of assessment.
- (2) A person who has made any such application as is mentioned in the last preceding subsection for any year of assessment may give for any subsequent year of assessment a notice to withdraw that application, and where such a notice is given the application shall not have effect with respect to the year for which the notice is given or any subsequent year.
- (3) A notice of withdrawal under this section shall be in such form and shall be made in such manner as may be prescribed by the Commissioners of Inland Revenue, and shall not be valid unless it is given within the period allowed by law for making, for the year for which the notice is given, applications similar to that to which the notice relates.

23 Power of special commissioners to obtain copies of registers of securities

- (1) The special commissioners may cause to be served upon any body corporate a notice requiring them to deliver to those commissioners within a specified time, being not less than twenty-one days, a copy, certified by a duly authorised officer of such body, of the whole of, or any specified class of entries in, any register containing the names of the holders of any securities issued by them.
- (2) On delivery of the copy in accordance with the notice payment shall be made therefor at the rate of five shillings in respect of each one hundred entries.
- (3) A notice under this section may be served by post.
- (4) Where a notice served under this section is not complied with, the body in question shall, unless it is proved to the satisfaction of the court that it was not reasonably possible to comply with the notice, be liable to a penalty not exceeding fifty pounds and if after judgment has been given for that penalty the copy still remains undelivered, shall be liable to a further penalty of the like amount for every day during which the default continues.
- (5) In this section the expression " security " includes shares, stock, debentures and debenture stock and the expression " entry " means, in relation to any register, so much thereof as relates to the securities held by any one person.

24 Provision as to collection of tax where appeal pending against assessment

Notwithstanding that an appeal to the special commissioners is pending against an assessment to income tax under Schedule D, to super-tax or to sur-tax, such part of the tax assessed as appears to the special commissioners not to be in dispute shall be collected and paid in all respects as if it were tax charged by an assessment in respect of which no appeal was pending, and on the determination of the appeal any balance of tax chargeable in accordance with the determination shall be paid, or any tax overpaid shall be repaid, as the case may require.

25 Amendment of law relating to summary recovery of income tax

- (1) All or any of the sums due in respect of income tax from any one person and payable to any one collector (being sums which are by law recoverable summarily) may, whether or not they are due under one assessment, be included in the same complaint, summons, order, warrant or other document required by law to be laid before justices or to be issued by justices, and every such document as aforesaid shall, as respects each such sum, be construed as a separate document and its invalidity as respects any one such sum shall not affect its validity as respects any other such sum.
- (2) Where the income tax due under any assessment is payable by instalments and the sum for the time being due and payable in respect of any of those instalments is less than fifty pounds, that sum shall be recoverable summarily under section thirty of the Finance Act, 1924, notwithstanding that the total sum for the time being due and payable under the assessment is equal to or exceeds fifty pounds, and it is hereby declared that the reference in section twenty-two of the Finance Act, 1928, to the provisions of the Income Tax Acts includes a reference to this subsection.
- (3) If a collector, who has commenced summary proceedings for the recovery of any income tax, dies or otherwise ceases for any reason to hold office as such, the proceedings may be continued in his name by any of his successors.

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In cases to which this subsection applies notice of the change shall as soon as may be given by the successor to the person against whom the proceedings are pending.

26 Limitation on amount of sur-tax payable in respect of total income of individual dying within year of assessment

- (1) The amount of sur-tax payable in respect of the total income of an individual for the year of assessment in which he dies shall not exceed the amount of sur-tax which would have been payable if income tax had been chargeable for that year at the same rates as for the year preceding that year, and all such adjustments and repayments of tax shall be made as may be required in order to give effect to the provisions of this section.
- (2) This section shall apply as respects sur-tax charged for the year 1929-30 or for any subsequent year.

Valuation, Parishes for Purposes of Assessment, Values in London, &c

27 Valuation for purposes of Schedules A and B to be made quinquennially in Great Britain

- (1) There shall be a quinquennial revaluation of all properties in Great Britain in respect of which income tax is chargeable under Schedules A and B, and accordingly the annual values of all such properties shall be determined afresh for the purpose of assessment for the year 1931-32, and for each fifth succeeding year of assessment, in accordance with the enactments and rules applicable to the said Schedules respectively as modified by the next succeeding section.
- (2) A year of assessment for which a revaluation of properties is directed by this section to be made is in this Act referred to as " a year of revaluation," and may be so referred to in any subsequent enactment relating to income tax and the year preceding a year of revaluation is in this Act referred to as " the preparatory year."
- (3) The annual value of any property which has been adopted for the purpose of income tax under Schedules A and B for any year of assessment shall be taken as being the annual value of that property for the same purpose for the next year of assessment, unless that year is a year of revaluation.

28 Provisions for expediting in England, valuations and assessments for years of revaluation

- (1) The provisions of this section, and, subject as hereinafter provided, the provisions of the First Schedule to this Act, shall have" effect, so far as regards England, for the purposes of enabling the annual values of properties on which assessments are to be based for a year of revaluation to be determined during the preparatory year and of enabling assessments to income tax under Schedules A and B for a year of revaluation to be made as soon as may be after the commencement of that year, and for those purposes all things necessary to be done for determining the said annual values, and all things preliminary to the making of any such assessments, may be done as well at any time during the preparatory year as at any time during the year of revaluation:

Provided that the provisions contained in Part I of the First Schedule to this Act shall not apply as regards the administrative county of London.

- (2) The assessments to income tax under Schedules A and B for a year of revaluation shall, so far as may be, be made on the basis of the annual values determined in accordance with this section and the Schedule therein referred to for the preceding year:

Provided that any person who proves to the satisfaction of the General Commissioners that the annual value for a year of revaluation of any property in respect of which he has been assessed for that year is less than the annual value on which the assessment was based, shall be entitled to a reduction of the assessment to an amount based on the annual value for the year of revaluation estimated in accordance with the enactments and rules applicable to assessments under Schedule A or Schedule B, as the case may be.

29 Parishes for purposes of assessment in England

- (1) Notwithstanding anything contained in the Local Government Act, 1929, the parishes for which assessments of income tax were made and for which assessors and collectors were appointed for the year 1929-30 shall be parishes for the same purposes for the year 1930-31, without prejudice, however, to the validity of any order made before the commencement of this Act under section ninety-three of the Income Tax Act, 1918, for the union of any such parishes.

- (2) Subject to the provisions of the last preceding subsection, section ninety of the Income Tax Act, 1918, shall, as from the first day of April, nineteen hundred and thirty, have effect as if for subsection (1) thereof, (which defines parishes for purposes of assessment by reference to parishes for the purposes of poor law administration) the following subsection were substituted, that is to say:—

“(1) Subject to the provisions of this subsection, the parishes for which assessments of the tax are to be made and for which assessors and collectors are to be appointed shall in England, elsewhere than in the City of London, be the parishes for the time being existing for the purposes of local government administration.

" No alteration of a parish for the purposes of local government administration shall take effect for the purposes of this Act until the date hereinafter mentioned, that is to say—

- (i) in the case of a parish outside the administrative county of London, the commencement of the next year of assessment which is a preparatory year:

Provided that for purposes relating to the assessment and collection of tax (including the appointment of assessors and collectors) for that year, the parish shall be deemed to continue unaltered:

- (ii) in the case of a parish in the administrative county of London, the commencement of the next year of assessment which is a year of revaluation. "

In this subsection the expression ' parish ' for the purposes of local government administration' means, in the case of the administrative county of London, a parish as defined in section five of the Interpretation Act, 1889, and elsewhere, a parish as defined in section sixty-eight of the Rating and Valuation Act,

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1925, for the purposes of any Act other than that Act; and the expression ' a year of revaluation ' means a year for which the annual values of properties in respect of which income tax is chargeable under Schedules A and B are required to be determined afresh."

- (3) In subsection (2) of the said section ninety (which relates to parishes not wholly comprised within the jurisdiction of one body of general commissioners) after the words " within that jurisdiction " there shall be inserted the words " but before any such order is " made the parish may, under the next succeeding " subsection, be divided into districts, and each district " of a parish so divided shall be treated as a parish for " the purposes of this subsection."
- (4) In subsection (3) of the said section ninety (which relates to the division of large parishes) the words " body or bodies of" shall be inserted before the words " general commissioners, " and at the end of the subsection there shall be inserted the words — " The division or redivision of a parish under this " subsection, or the alteration of any such division, " shall not affect any existing power of appointing a " collector or collectors to act for or within the parish."
- (5) In subsection (1) of section thirty of the Finance Act, 1927 (which amends section eighty-four of the Income Tax Act, 1918, as regards the appointment of collectors) the words " local government administration" shall be substituted for the words " poor law administration. "

30 Appointment of general commissioners in Scotland

For paragraph (e) of subsection (6) of section fifty-nine of the Income Tax Act, 1918 (which relates to the appointment of general commissioners) there shall be substituted the following paragraph,—

- “(e) In Scotland, the council of any county and the Lord Provost and Bailies whose area of municipal jurisdiction comprises the division of the Ancient Royalty of Edinburgh, or the division of the City of Glasgow, shall, whenever required so to do by notice from the Commissioners of Inland Revenue addressed to the County Clerk or the Town Clerk, as the case may be, choose by a majority, and set down in writing in order determined by the majority, the names of a sufficient number of such persons resident in the division specified in the notice aforesaid as are qualified, and are fit and proper persons, to act as general commissioners for the said division; and those persons shall in the order in which they are set down in the list, subject to the limit as to number hereinbefore prescribed, be general commissioners, or be added to the list to supply vacancies, as the case may require.

" In the case of a county council, the persons to act as general commissioners shall be chosen at the first general meeting of the council which is summoned after the receipt by the County Clerk of the notice aforesaid, and the notice summoning that meeting shall specify the choice of persons to act as general commissioners as an item of business to be transacted at that meeting. "

In the case of the Ancient Royalty of Edinburgh and the City of Glasgow, respectively, the Town Clerk shall convene a special meeting of the Lord Provost and Bailies for the purpose of choosing persons to act as general commissioners, and such meeting shall be held not

later than three months after the receipt by the Town Clerk of the notice from the Commissioners of Inland Revenue.”

31 Annual value of property in London for purposes of income tax

- (1) As from the sixth day of April, nineteen hundred and thirty-one, section forty-five of the Valuation (Metropolis) Act, 1869, shall cease to have effect in so far as it provides that the valuation list for the time being in force shall be conclusive evidence of values for the purposes of the Income Tax Acts, and as from the said date the annual value of any property in the administrative county of London shall, for the purposes of those Acts and subject to the provisions of this Act, be ascertained in accordance with the enactments applicable in the case of properties situate elsewhere in England.
- (2) Notwithstanding anything in this section or any repeal effected by this Act, any amount paid by way of income tax in respect of the year 1930-31 or any previous year of assessment shall be subject to adjustment under section forty-four, or paragraph (10) of section forty-seven, of the Valuation (Metropolis) Act, 1869, in the like cases and manner and with the like consequences as if all the provisions of that Act had continued in force.

32 Provisions with respect to returns, copies of valuation lists and tax assessments in London

- (1) When the assessment committee of any assessment area in the administrative county of London have in the year nineteen hundred and thirty, or any subsequent year, finally approved a new valuation list for that area, or any part thereof, the clerk of the committee shall, so soon as may be, and in any case before the first day of April next following the final approval of the list, transmit to the surveyor of taxes of the district which includes that area, or part of an area, all returns made in pursuance of sections fifty-five and fifty-six or in pursuance of section fifty-seven of the Valuation (Metropolis) Act, 1869, and where any such return so transmitted to the surveyor contains all particulars necessary for making a correct assessment to income tax in respect of the annual value of the property to which it relates, it shall be deemed to be a statement of the annual value thereof made for the purposes of assessment under Schedules A and B of the Income Tax Act, 1918.
- (2) In the said section fifty-five, for the words from " such statement " to the end of the section there shall be substituted the words " a return in such form as may " be prescribed by the Minister of Health, in pursuance of " his powers in that behalf, and containing such particulars " as may be reasonably required for the purpose of carrying " out this Act and the Acts incorporated therewith."
- (3) Returns transmitted to a surveyor of taxes in accordance with subsection (1) of this section may be retained by him until the first day of July next following the first day of April referred to in that subsection, but the clerk of the assessment committee shall be entitled at any time to have access to those returns and to require that any particular return which he may need for the performance of his duties shall be redelivered to him.
- (4) The provisions of subsections (2) and (3) of section forty-three of the Rating and Valuation Act, 1925 (which relate to the furnishing of copies of lists and of tax assessments) shall extend to the administrative county of London, with the substitution in the said subsection (2) of the words " to be a true copy or extract " for the words " in accordance with this section," and with the substitution in the said subsection (3)

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of the words " The London County Council and any assessment committee, or " for the words " Any county valuation committee, assessment committee, or ".

PART III

ESTATE DUTY

Rates of Estate Duty

33 Amended rates of estate duty

The scale set out in the Second Schedule to this Act shall in the case of persons dying after the commencement of this Act be substituted for the scale set out in the Fourth Schedule to the Finance Act, 1925, as the scale of rates of estate duty:

Provided that, where an interest in expectancy within the meaning of Part I of the Finance Act, 1894 (in this Part of this Act referred to as " the principal Act"), in any property (other than property deemed to pass on a death by virtue of the provisions of the next succeeding section but one of this Act) has, before the fourteenth day of April, nineteen hundred and thirty, been bona fide sold or mortgaged for full consideration in money or money's worth, then no other duty on that property shall be payable by the purchaser or mortgagee when the interest falls into possession than would have been payable if this Part of this Act had not passed, and in the case of a mortgage any higher duty payable by the mortgagor shall rank as a charge subsequent to that of the mortgagee.

Companies

34 Estate duty where property of deceased has been transferred to a company

- (1) On the death after the commencement of this Act of any person who has, at any time after the thirty-first day of July, nineteen hundred and eighteen—
- (i) made to a company to which this Part of this Act applies, whether directly or indirectly, any such transfer as is specified in subsection (2) of this section; and
 - (ii) received within the prescribed period out of the resources or at the expense of the company, whether directly or indirectly, any such benefit as is so specified,
- there shall be computed for each accounting year falling wholly or partly within the prescribed period the proportion which the total value of the benefits so received in the accounting year bears to the total income of the company in the accounting year, and, if the average of the proportions so computed exceeds fifty per cent., there shall for the purposes of estate duty be deemed to pass on the death (over and above any other property which passes or is deemed to pass thereon), such sum of money not exceeding the value of the total assets of the company as bears to the said value the same proportion as the said average proportion:

Provided that—

- (a) the sum computed as aforesaid shall be reduced by the amount, if any, by which the principal value at the date of death—
 - (1) of the subject of the transfer; or

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- (2) if the subject of the transfer has been sold or exchanged by the company, either of the subject of the transfer or of the property in the hands of the company which is or represents the proceeds of the sale or exchange is shown to the satisfaction of the Commissioners of Inland Revenue to fall short of the said sum; and
 - (b) notwithstanding anything in this section, the value of any property or any interest in property shall not be taken into account, directly or indirectly, for the purpose of assessment of estate duty more than once on the same death; and
 - (c) if the total assets of the company comprise any property which is by virtue of the next succeeding section deemed to pass on the death, there shall in computing the said proportions and ascertaining the sum of money, if any, which is deemed to pass by virtue of this section, be subtracted—
 - (1) from the value of the total assets of the company, the value of the said property as ascertained for the purposes of the next succeeding section;
 - (2) from the total income of the company in every accounting year and also from the total value of the benefits received by the deceased therein, a sum equal to so much of that total income as is ascribable to—
 - (i) that property; or
 - (ii) in a case where that property is deemed to pass as being or representing the proceeds of any other property, that other property or the proceeds thereof or any property representing those proceeds.
- (2) The transfers referred to in the preceding subsection are transfers, whether made for consideration or not, of property (being property which, if it had been in the disposition of the deceased at his death, would have been property in respect of which estate duty would have been payable on the death) or any interest in any such property, other than—
- (a) bona fide sales where the consideration for the sale was received or receivable wholly by the deceased for his own use or benefit and was satisfied or to be satisfied in one or more of the following manners, that is to say, by a capital sum of a fixed amount or by shares in or debentures of the company;
 - (b) transfers of or incidental to the transfer of a business, not being a business which substantially consists in holding, managing, developing or dealing in land situate in Great Britain;
 - (c) transfers of, or of any interest in, property which by virtue of the next succeeding section is deemed to pass on the death;
 - (d) transfers of patents or copyrights, or of any moveable tangible property except money and securities;
 - (e) transfers where either the deceased or the company is acting in the capacity of trustee, factor, agent, receiver, or manager;
- and the benefits so referred to are—
- (i) any payments made, whether for consideration or not, to or for the benefit of the deceased, other than the following payments, that is to say :—
 - (1) dividends in respect of shares in the company;
 - (2) interest on, and repayments in respect of, money lent to the company;

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- (3) payments of or on account of purchase money under a bona fide sale, where that purchase money is a capital sum of a fixed amount;
 - (4) payments of or on account of royalties, not being royalties limited to cease at the death of the deceased :
 - (ii) any right in or enjoyment of any land.
- (3) In ascertaining for the purposes of this section the value of a benefit—
- (a) Tin the case of a benefit consisting of a payment, a deduction shall be made in respect of any income tax (other than sur-tax) paid or borne by the deceased in respect of that payment; and
 - (b) The value of a benefit consisting of any right in or enjoyment of land shall be computed by reference to the annual value of that land as ascertained for purposes of income tax, due allowance being made in respect of any rent paid by the deceased.
- (4) In ascertaining for the purposes of this section the total income for any accounting year of a company, the income of the company from any source shall be computed in accordance with the provisions of the Income Tax Acts relating to the computation of income from such a source, subject to the modification that the computation shall be made by reference to the actual income for the accounting year and not by reference to the income for any other period:
- Provided that—
- (a) no deduction shall be made .in respect of any payment made to or for the benefit of, or any other benefit accorded to, the deceased, except dividends on preference shares in, and interest on money lent to, the company; and
 - (b) subject to the provisions of the last preceding paragraph, deductions shall be made for—
 - (i) income tax paid or borne by the company; and
 - (ii) interest on money lent to the company; and
 - (iii) dividends on preference shares; and
 - (iv) rents, royalties and other payments by the company on which income tax is deducted at source.
- (5) Where the accounting years falling wholly or partly within the prescribed period do not coincide with the periods for which the accounts of the company are made up, the Commissioners of Inland Revenue may for the purpose of ascertaining the total income of the company for an accounting year divide any of the said periods and make such apportionments and aggregations of the income of the company as may be necessary, so, however, that any apportionments so made shall be made in proportion to the number of months or fractions of months in the respective periods for which the apportionment is made.
- (6) In this section—
- The expression "accounting year,"—
- (a) in relation to a company which at the time of the death of the deceased person has made up accounts for a period of twelve months ending on a date within the twelve months next preceding the death, means a period of twelve months ending either on that date, or on the same day of the year in any previous year; and
 - (b) in relation to any other company, means a period of twelve months ending on such date within the twelve months next preceding the death

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as may be determined by the Commissioners of Inland Revenue or on the same day of the year in any previous year; and

The expression "the prescribed period" means the period which—

- (i) ends on the date on which the last accounting year ends; and
- (ii) begins three years before that date, or, if the company in question was not then in existence, on the day on which the company came into existence.

- (7) Property which is deemed to pass on a death by virtue of the provisions of this section shall, notwithstanding anything in any Act, be an estate by itself, and shall not be aggregated with any other property.

35 Estate duty where property in which deceased had a life-interest is transferred to a company

- (1) Whereat any time before the death of a person dying after the commencement of this Act any property in which the deceased had an estate or interest limited to cease at his death, was transferred by the deceased and the person interested in the remainder or reversion, whether directly or indirectly, and whether by one or more transactions, to or for the benefit of a company to which this Part of this Act applies, then unless—
 - (a) the transfer was made before the first day of August, nineteen hundred and eighteen; or
 - (b) the property was settled property and the interest of the deceased would, in any case have failed by reason of his death before it would have become an interest in possession; or
 - (c) the share of the consideration payable to the deceased in respect of the transfer was satisfied otherwise than by an allotment of shares in the company or the grant to him by the company of an annuity or other right to receive periodical payments, not being payments on account of purchase money being a capital sum of fixed amount; or
 - (d) the deceased had at least three years before his death relinquished all interest in the property and had not at any time within those three years the possession or enjoyment (otherwise than under a lease or agreement for a lease at a rack rent) of any part thereof or of any benefit secured to him, whether by contract or otherwise, in relation to the relinquishment of his interest therein, and was not at any time within the said period in receipt of or entitled to any payment from the company, otherwise than in respect or on account of debentures or loans or purchase money being a capital sum of a fixed amount,

the property shall be deemed for the purposes of estate duty to pass on the death in like manner as if the estate or interest of the deceased therein had continued until the death:

Provided that where the property or any part thereof has been bona fide sold or exchanged by the company during the deceased's life time for full consideration in money or money's worth, the property or so much thereof as has been so sold or exchanged shall not be deemed to pass on the death, but in lieu thereof the proceeds of the sale or exchange or, as the case may be, the property which, at the time of death, represents those proceeds shall be deemed so to pass.

- (2) In determining the value of any property deemed to pass under this section, there shall be deducted from the principal value thereof—
 - (a) so much of any sum borrowed by the company as has been applied by the company in the improvement of the property, and has not at the death been repaid by the company;

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- (b) a sum equal to the capital sum of money paid to the deceased as part of the consideration for the transfer; and where estate duty is payable in connection with the death on any shares of or debentures in the company, a sum equal to the principal value of such of those shares or debentures as were transferred or allotted to the deceased in consideration of the transfer of the property.
- (3) Property which is deemed to pass on a death by virtue of the provisions of this section shall, notwithstanding anything in any Act, be an estate by itself, and shall not be aggregated with any other property.

36 Charge of duty and powers of recovery

- (1) The estate duty payable in respect of any property which is by virtue of the provisions of the two last preceding sections deemed to pass on the death of any person shall be a debt due from the company concerned to His Majesty.
- (2) The company concerned shall be accountable for any such duty and shall, for the purpose of raising and paying that duty, have all the powers conferred on accountable persons by the principal Act, and if the duty or any part thereof is paid by the executor of the deceased it shall be repaid to him by the company.
- (3) Where on the death of any person a claim for duty arises by virtue of any of the provisions of the two last preceding sections, the company concerned shall notify the Commissioners of Inland Revenue of the death of the said person, and any company wilfully failing to give such a notification shall be liable to a penalty not exceeding five hundred pounds.
- (4) The Commissioners of Inland Revenue may, for the purposes of carrying the two last preceding sections and the next following section of this Act into effect, require any company to which this Part of this Act applies to furnish to them within two months copies of such of the balance sheets and profit and loss or income and expenditure accounts, and such other particulars, as the Commissioners may reasonably require, and if any company fails to comply with the provisions of this subsection—
 - (i) the company shall be liable to a penalty not exceeding five hundred pounds, and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the failure shall be liable to the like penalty; and
 - (ii) an order may be made against all or any of the directors of the company requiring them to comply with the requirements of the Commissioners in like manner as an order may be made against any person who is accountable for succession duty or legacy duty to deliver an account and the provisions of section fifty-five of the Crown Suits, &c. Act, 1865, and in Scotland the provisions of section forty-seven of the Succession Duty Act, 1853, shall apply accordingly, subject to the necessary modifications.

37 Valuation of shares in certain companies

- (1) Where there pass on the death of any person dying after the commencement of this Act, any shares (not being preference shares) in any company to which this Part of this Act applies, then if either—
 - (a) there is deemed by virtue of the provisions of this Part of this Act to pass on the death a sum of money computed by reference to the value of the total assets of the company; or

- (b) the control of the company was immediately before the death in the hands of the deceased;

the principal value of those shares for the purposes of estate duty shall not be ascertained in the manner provided by subsection (5) of section seven of the principal Act, but shall be ascertained by reference to the value of the total assets of the company:

Provided that in cases falling within paragraph (a) of this subsection, the value of the total assets of the company shall, for the purposes of this section, be deemed to be reduced by the sum of money therein referred to.

- (2) For the purposes of this section the control of a company shall be deemed to be in the hands of a person if—
 - (a) by virtue of the shares which he controls he has control of more than half the voting power of the company; or
 - (b) he has by virtue of the provisions in the memorandum of association or articles of the company, or other instrument whatsoever constituting or defining the constitution of the company, the powers of a board of directors or of a governing director or the right to nominate a majority of the directors or the power to veto the appointment of a director, or powers of the like nature; or
 - (c) he has otherwise the right to receive, or the power to dispose of, more than half of the income of the company.
- (3) This section shall not apply to shares which have, within the period of twelve months immediately preceding the death of the deceased, been the subject of dealings on a recognised stock exchange in the United Kingdom or been quoted in the official list of such a stock exchange.

38 Interpretation

In this Part of this Act the following expressions have the meanings hereby respectively assigned to them, that, is to say—

" Company to which this Part of this Act applies " means any body corporate wheresoever incorporated, which either—

- (i) is so constituted as not to be controlled by its shareholders or by any class thereof; or
- (ii) has not issued to the public, or, in the case of a company which is about to make an issue of shares to the public, will not, when it has made that issue, have issued to the public, more than half of the shares by the holders whereof it is controlled:

" Share " includes any interest whatsoever in a company, by whatsoever name it is called, analogous to a share, and the expression " shareholder " shall be construed accordingly:

" Preference share " means a share the holder whereof is entitled to a dividend at a fixed rate only:

" Value of the total assets of the company " means the principal value, ascertained in accordance with the provisions of subsection (5) of section seven of the principal Act, of all the assets of the company as a going concern, including goodwill, after deducting therefrom—

- (i) the par or redemption value, whichever is the greater, of any debentures, debenture stock and preference shares of the company;

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- (ii) all debts of the company incurred or created bona fide for consideration in money or money's worth;
- (iii) such sum as on a just and fair computation represents any future or contingent liabilities of the company or any liabilities thereof which are uncertain in amount;
- (iv) the amount of any reserve fund separately invested which is bona fide intended to be applied in payment of pensions to employees or otherwise for the benefit of them or their dependents or relatives, and in no other manner.

Miscellaneous

39 Death duties on property subject to an annuity which has been surrendered

In the case of a person dying after the commencement of this Act, property which was subject to an annuity or other periodical payment limited to cease on the death of the deceased shall, for the purposes of the principal Act be deemed to pass on the death of the deceased to the extent of the benefit which would accrue from the cesser of that annuity or other payment notwithstanding that the annuity or other payment has been surrendered, assured, divested or otherwise disposed of during the lifetime of the deceased, whether for value or not, to or for the benefit of the person entitled to the property, unless the surrender, assurance, divesting or disposition was bona fide made or effected three years before the death of the deceased and the person entitled to the annuity or other payment was not at any time within that period in receipt of any substituted annuity or other periodical payment limited to cease on his death, being an annuity or payment which was secured, whether by contract or otherwise, to him in return for the surrender, assurance, divesting or disposition.

40 Exemption from death duties of objects of national, scientific, historic or artistic interest

- (1) Where there pass on the death of a person dying after the commencement of this Act any objects to which this section applies, the value of those objects shall not be taken into account for the purpose of estimating the principal value of the estate passing on the death or the rate at which estate duty is chargeable thereon, and those objects shall, while enjoyed in kind, be exempt from death duties.
- (2) In the event of the sale of any objects to which this section applies, death duties shall, subject as hereinafter provided, become chargeable on the proceeds of sale in respect of the last death on which the objects passed and, as respects estate duty, at the rate appropriate to the principal value of the estate passing on that death upon which estate duty is leviable, and with which the objects would have been aggregated if they had not been objects to which this section applies, and the person by whom or for whose benefit the objects were sold shall be accountable for the duties and shall deliver an account for the purposes thereof within one month after the sale :

Provided that death duties shall not become chargeable as aforesaid if the sale is to the National Gallery, British Museum, or any other similar national institution, any university, county council or municipal corporation in Great Britain, or the National Art Collections Fund.

- (3) The objects to which this section applies are such pictures, prints, books, manuscripts, works of art, scientific collections or other things not yielding income as on a claim being made to the Treasury under this section appear to them to be of national, scientific, historic or artistic interest.
- (4) Nothing in this section shall affect the power of the Treasury under subsection (2) of section fifteen of the principal Act to remit death duties chargeable in respect of any objects to which that section applies.

PART IV

STAMPS

41 Amendment of s.55 of 17 & 18 Geo.5 c.10

Section fifty-five of the Finance Act, 1927 (which grants relief from capital and transfer stamp duty in cases of reconstruction or amalgamation of companies) shall—

- (1) as from the commencement of this Act have effect as if the words " in respect of which stamp duty has been paid " in subsection (1) a (i) of the said section were not contained therein; and
- (2) be deemed to have had effect up to the commencement of this Act as if after the said words there had been inserted the words " or relief " has been allowed under the provisions of this section."

42 Relief from transfer stamp duty in case of transfer of property as between associated companies

- (1) Stamp duty under the heading "Conveyance or Transfer on Sale" in the First Schedule to the Stamp Act, 1891, shall not be chargeable on an instrument to which this section applies :

Provided that no such instrument shall be deemed to be duly stamped unless either it is stamped with the duty to which it would but for this section be liable, or it has in accordance with the provisions of section twelve of the said Act been stamped with a particular stamp denoting either that it is not chargeable with any duty or that it is duly stamped.

- (2) This section applies to any instrument as respects which it is shown to the satisfaction of the Commissioners of Inland Revenue—
 - (a) that the effect thereof is to convey or transfer a beneficial interest in property from one company with limited liability to another such company; and
 - (b) that either—
 - (i) one of the companies is beneficial owner of not less than ninety per cent. of the issued share capital of the other company; or
 - (ii) not less than ninety per cent. of the issued share capital of each of the companies is in the beneficial ownership of a third company with limited liability.

Status: This is the original version (as it was originally enacted).

43 Abolition of stamp duty on copies and extracts of probate, letters of administration, and confirmation

The stamp duty chargeable on copies or extracts, attested or in any manner authenticated, of or from the probate or probate copy of a will or codicil or of or from any letters of administration or confirmation of a testament shall cease to be chargeable.

44 Exemption from stamp duty on receipts

The following exemptions shall be substituted for exemptions numbered (14) and (15) under the heading " Receipt given for, or upon payment of, money " amounting to two pounds or upwards," in the First Schedule to the Stamp Act, 1891, as extended by section eight of the Revenue Act, 1898:—

“(14) Receipt given by or on behalf of an officer of a county court, or, in Scotland, by or on behalf of a Sheriff Clerk, for money received by him from a party to any proceedings in court.

(14(A)) Receipt given in respect of any sum payable as compensation under the Workmen's Compensation Act, 1925.

(15) Receipt given by or on behalf of a clerk to justices or a magistrate or other person authorised to receive such payment, or in Scotland, any clerk of court of any Court of Summary Criminal Jurisdiction as defined by the Summary Jurisdiction (Scotland) Act, 1908, or other authorised person, for money received in respect of a fine or other sum ordered to be paid by a court of summary jurisdiction, or as bail.”

45 Remission of stamp duty in respect of capital of certain companies

- (1) The stamp duty payable under section one hundred and twelve of the Stamp Act, 1891 (which section imposes duties on the capital of limited liability companies), on the statement of the amount which was to form the nominal share capital of Imperial and International Communications Limited, and the stamp duty payable under that section on the statement of the increase of the registered capital of that company which was effected by the resolution of the company passed on the nineteenth day of December, nineteen hundred and twenty-nine, are hereby remitted, and any sums paid in respect thereof shall be repaid to the company.
- (2) The said section one hundred and twelve shall not apply to the Bankers Industrial Development Company Limited, and any sums paid under that section in respect of that company shall be repaid to the company.

PART V

NATIONAL DEBT

46 Transfer of sums from Rating Relief Suspense Account to Exchequer

There shall, in accordance with the directions of the Treasury, be transferred to the Exchequer from the Rating Relief Suspense Account:—

- (a) in the financial year ending on the thirty-first day of March, nineteen hundred and thirty-one, the sum of sixteen million pounds; and
- (b) in the next following financial year the balance remaining in the said account.

47 Temporary additions to New Sinking Fund

There shall be issued out of the Consolidated Fund or the growing produce thereof at such times and in such manner as the Treasury may from time to time direct, so, however, that the whole amount to be issued in respect of any year shall be issued in that year, the sums following, that is to say :—

In the financial year ending on the thirty-first day of March, nineteen hundred and thirty-one, the sum of five million pounds:

In the financial year ending on the thirty-first day March, nineteen hundred and thirty-two, the sum of five million pounds:

In the financial year ending on the thirty-first day of March, nineteen hundred and thirty-three, the sum of four million five hundred thousand pounds;

and the sums so issued shall be applied in the same manner as the New Sinking Fund (1928).

48 Provision in the case of deficit in any year for redemption in the next year of a corresponding amount of debt

If it appears by the account of the public income and expenditure of the United Kingdom prepared under section four of the Sinking Fund Act, 1875, for the financial year ending the thirty-first day of March, nineteen hundred and thirty-one, or for any subsequent financial year, that expenditure was in excess of income, there shall in the next financial year be issued out of the Consolidated Fund or the growing produce thereof at such times in that year and in such manner as the Treasury may from time to time direct, a sum equal to the excess, and the sums so issued shall be applied in the same manner as the New Sinking Fund (1928).

49 Amendment of Part VII of National Debt Act, 1870

- (1) Part VII of the National Debt Act, 1870, shall have effect as if the capital sums secured on bearer bonds issued under the War Loan Acts, 1914 to 1919, were stock within the meaning of the said Part VII and as if the bonds and coupons attached thereto were respectively stock certificates and coupons issued under the National Debt Act, 1870.
- (2) For the purposes of this section a bond shall be deemed to have been issued if it has been made out and paid for, notwithstanding that it has not been taken up by the person entitled thereto.

50 Amendment of s.37 of Finance Act, 1917

Section thirty-seven of the Finance Act, 1917 (which contains provisions for facilitating dealings with Government stock) shall, in its application to Scotland, have effect as if the expression " notary public " in the said section included a law agent.

PART VI

MISCELLANEOUS AND GENERAL

51 Bank for International Settlements to be exempt from taxation

The Bank for International Settlements shall not be liable to any taxation, present or future, in respect either of the capital amount of, or of any income arising from, any part of the funds or investments of the Bank which result from payments made by the Government of the German Reich under the agreement entered into at the Hague on the twentieth day of January, nineteen hundred and thirty, between the Government of the German Reich and certain other Governments, including the Government of the United Kingdom.

52 Amendment of s.38 of 8 & 9 Geo.5 c.15

Section thirty-eight of the Finance Act, 1918, which makes provision for dealing with small amounts of Government stock belonging to deceased persons shall have effect, and be deemed always to have had effect, as if the reference in subsection (1) thereof to war stock were a reference to any stock which may be inscribed in the Post Office Register.

53 Construction, short title, application and repeal

- (1) Part I of this Act so far as it relates to duties of customs shall be construed as one with the Customs Consolidation Act, 1876 (except that the expression " the United Kingdom " in this Act shall not include the Isle of Man), and so far as it relates to duties of excise shall be construed as one with the Acts which relate to the duties of excise and to the management of those duties.
- (2) Part II of this Act shall be construed as one with the Income Tax Acts.
- (3) Part III of this Act shall be construed as one with the Finance Act, 1894.
- (4) Part IV of this Act shall be construed as one with the Stamp Act, 1891.
- (5) Any reference in this Act to any enactment shall be construed, as a reference to that enactment as amended by any subsequent enactment, including this Act.
- (6) This Act may be cited as the Finance Act, 1930.
- (7) Such of the provisions of this Act as relate to matters with respect to which the Parliament of Northern Ireland has power to make laws shall not extend to Northern Ireland.
- (8) The enactments set out in the Third Schedule to this Act are hereby repealed to the extent mentioned in the third column of that Schedule, as from the dates specified therein.