



Finance Act 1932

1932 CHAPTER 25

PART II

INCOME TAX

15 **Income tax for 1932-33**

- (1) Income tax for the year 1932-33 shall be charged at the standard rate of five shillings 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 1931-32 shall have effect with respect to the income tax charged for the year 1932-33.

16 **Higher rates of income tax for 1931-32**

Income tax for the year 1931-32 in respect of the excess of the total income of an individual over two thousand pounds shall be charged at rates in the pound which respectively exceed the standard rate by amounts equal to the amounts by which the rates at which income tax was charged in respect of the said excess for the year 1930-31 respectively exceeded the standard rate for that year.

17 **Tax in respect of voluntary pensions**

- (1) Where a person has ceased to hold any office or employment and any pension or annual payment is paid to him, or to his widow or child, or to any relative or dependant of his, by the person under whom he held the office or by whom he was employed, or by the successors of that person, then, notwithstanding that the pension or payment is paid voluntarily, or is capable of being discontinued, it shall be deemed to be income for the purposes of assessment of income tax and in the case of a pension or annual payment which is paid by or on behalf of a person outside the United Kingdom shall be assessed and charged by reference to the provisions of Rule 2 of the Rules applicable to Case V of Schedule D and in any other case shall be assessed and charged under Schedule E.

Status: This is the original version (as it was originally enacted).

- (2) For the purpose of removing doubts, it is hereby declared that the expressions " annuity " and " pension " in the charging provision of Schedule E and in subsection (1) of section seventeen of the Finance Act, 1923, include respectively an annuity and a pension which is paid voluntarily or is capable of being discontinued.
- (3) The expression " earned income " in subsection (3) of section fourteen of the Income Tax Act, 1918, shall be deemed to include any annuity, pension or annual payment to which this section applies.

18 Additional deductions in case of machinery and plant

- (1) Where, under Rule 6 of the Rules applicable to Cases I and II of Schedule D, a deduction in respect of wear and tear of any machinery or plant during any year of assessment is allowed either in charging profits or gains for the year, or, where the machinery or plant is let, by the repayment of a portion of the tax assessed and charged in respect of the machinery or plant and deducted from the rent, the Commissioners by whom the deduction is allowed shall, either in charging the profits or gains, or by means of such repayment as aforesaid, as the case may be, allow an additional deduction equal to one-tenth of the amount of the deduction allowed under the said Rule 6 as aforesaid, but excluding from that amount any sum included therein by virtue of paragraph (3) of the said Rule.
- (2) Where, for any purpose of the Income Tax Acts, account is required to be taken of any deductions allowed, or deemed to have been allowed, in respect of wear and tear for any years prior to the year of assessment, or of the aggregate of the amount of those deductions and of any such deduction for the year of assessment, the additional deduction under this section for any of the said years shall for that purpose be treated as if it were part of the deduction in respect of wear and tear for that year.

19 Extension of period for carrying forward losses in certain cases

- (1) Where a loss sustained by a person has been carried forward under section thirty-three of the Finance Act, 1926, and as regards that loss or any part thereof a deduction or set off cannot be given under that section from or against the profits or gains on which the person is assessed under Schedule D for the six years following the year in which the loss was sustained owing to the allowance in the assessments for those years of deductions for wear and tear of machinery or plant under Rule 6 of the Rules applicable to Cases I and II of Schedule D, then so much of the loss in respect of which relief has not been given as represents the amount in respect of which relief could have been given but for the allowance aforesaid shall be further carried forward and deducted or set off under and in accordance with the provisions of the said section as if, in relation to the loss so carried forward, for references in the said section and in section nineteen of the Finance Act, 1928, to the six years of assessment following the year in which the loss was sustained there were substituted references to all following years of assessment:

Provided that—

- (a) this section shall not apply in relation to the carrying forward, deduction or set off of a loss under section thirty-three of the Finance Act, 1926, as applied by section twenty-nine of the Finance Act, 1927;

- (b) the same deduction for wear and tear of machinery or plant to which effect is given in any year of assessment shall not be taken into account more than once for the purposes of this section.
- (2) Any relief given under section thirty-three of the Finance Act, 1926, from an assessment shall be given in respect of a loss sustained in any year within the six years immediately preceding the year of assessment before it is given in respect of a loss sustained in any year not within those six years.

20 Extension of relief under s. 32 of 8 and 9 Geo. 5. c. 40, in respect of certain insurance premiums to premiums on insurances made with certain underwriters

Section thirty-two of the Income Tax Act, 1918 (which provides for relief from tax in respect of life insurance premiums, &c), shall be extended so as to apply to insurances made and annuities contracted for with underwriters, being members of Lloyd's or of any other association of underwriters approved by the Board of Trade, who comply with the requirements set forth in the Eighth Schedule to the Assurance Companies Act, 1909, as that section applies to insurances made and annuities contracted for with such an insurance company as is mentioned therein.