



Finance Act 1942

1942 CHAPTER 21

PART II

PURCHASE TAX.

20 Priority of purchase tax in bankruptcy, winding-up, and c.

- (1) There shall be included among the debts which, under section thirty-three of the Bankruptcy Act, 1914, are to be paid in priority to all other debts in the distribution of the property of a bankrupt or person dying insolvent, the amount of any purchase tax due from the bankrupt at the date of the receiving order, or from the person so dying at the date of his death, and having become due within twelve months next before that date.
- (2) There shall be included among the debts which, under section two hundred and sixty-four of the Companies Act, 1929, are to be paid in priority to all other debts in the winding-up of a company, the amount of any purchase tax due from the company at the relevant date within the meaning of that section, and having become due within twelve months next before that date.
- (3) Where a receiver is appointed on behalf of the holders of any debentures of a company secured by a floating charge, or possession is taken by or on behalf of those debenture holders of any property comprised in or subject to the charge, there shall be included among the debts which, under section seventy-eight of the Companies Act, 1929, are to be paid in priority to any claim for principal- or interest in respect of the debentures, the amount of any purchase tax due at the date of the appointment of the receiver or of possession being taken as aforesaid, and having become due within twelve months next before that date.
- (4) In the application of this section to Scotland, the following subsection shall be substituted for subsection (1)—
 - “(1) There shall be included among the debts which, under section one hundred and eighteen of the Bankruptcy (Scotland) Act, 1913, are to be paid in priority to all other debts in the division of a bankrupt's estate, the amount of any

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purchase tax due by the bankrupt at the date mentioned, in subsection (4) of that section, and having become due within twelve months next before that date.”;

and the last foregoing subsection shall not apply to a company registered in Scotland.

(5) In the application of this section to Northern Ireland, the following subsection shall be substituted for subsection (1)—

“(1) There shall be included among the debts which, under section one of the Preferential Payments in Bankruptcy Act (Northern Ireland), 1933, are to be paid in priority to all other debts in the distribution of the property of a bankrupt, arranging debtor or person dying insolvent, the amount of any purchase tax due—

- (a) from the bankrupt, at the date of the order of adjudication ; or
- (b) from the arranging debtor, at the date of the filing of the petition for arrangement; or
- (c) from the person so dying, at the date of his death ;

and having become due within twelve months next before that date.”;

and subsections (2.) and (3) of this section shall have effect as if references to section two hundred and thirty-four and to section seventy-six of the Companies Act (Northern Ireland), 1932, were respectively substituted for references to section two hundred and sixty-four and to section seventy-eight of the Companies Act, 1929.