



# Finance Act 1946

1946 CHAPTER 64 9 and 10 Geo 6

## PART IV.

EXCESS PROFITS TAX AND THE NATIONAL DEFENCE CONTRIBUTION.

### **41 Rehabilitation costs incurred before end of 1946.**

(1) Where—

- (a) whether before or after the passing of this Act, any person carrying on a trade or business incurs, rehabilitation costs in connection with the trade or business before the end of the year nineteen hundred and forty-six ; and
- (b) apart from the provisions of this section, relief is not allowable in respect of those costs or part of those costs in computing the profits of the trade or business for excess profits tax purposes for any accounting period constituting or including a chargeable accounting period,

the profits of the trade or business for the chargeable accounting period in which the rehabilitation costs, or that part thereof, as the case may be, are incurred, shall, for the purposes of excess profits tax, be treated as reduced by the amount of the said costs or that part thereof, as the case may be:

Provided that so much of any rehabilitation costs as has been or is to be met directly or indirectly by the Crown or by any government or public or local authority, whether in the United Kingdom or elsewhere, or by any person other than the person carrying on the trade or business, shall be left out of account.

- (2) Where the person carrying on the trade or business is, for the purposes of excess profits tax, entitled in respect of buildings, plant or machinery on which rehabilitation costs are incurred, to an allowance under paragraph 3 of Part I of the Seventh Schedule to the Finance (No. 2) Act, 1939, or subsection (1) of section thirty-three of the Finance Act, 1940 (which relate to exceptional depreciation allowances), and that allowance is increased owing to the rehabilitation costs having been treated as part of the net cost of the provision of the buildings, plant or machinery, so much of those costs as is equal to that increase in the allowance shall, by virtue of the making of the allowance, be treated for the purposes of subsection (I) of this section as costs in respect of which relief is allowable apart from the provisions of this section.

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*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 1946, Section 41. (See end of Document for details)*

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- (3) The provisions of subsection (2) of section thirty-three of the Finance Act, 1940 (which relates to the spreading of deductions over more than one accounting period), shall not apply to any deduction allowable by virtue of this section.
- (4) In this section the expression “rehabilitation costs” has the same meaning as in section thirty-seven of this Act.

**Modifications etc. (not altering text)**

- C1** The text of ss. 38–43 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 1946, Section 41.