



Finance Act 1946

1946 CHAPTER 64 9 and 10 Geo 6

PART IV.

EXCESS PROFITS TAX AND THE NATIONAL DEFENCE CONTRIBUTION.

43 Matters occurring after certain dates.

- (1) In computing profits for the purposes of excess in profits tax, no part of any deduction shall, by virtue 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), be treated as attributable to any accounting period any part of which falls before the end of the year nineteen hundred and forty-six, unless it would, apart from the said subsection (2), have fallen to be treated, if excess profits tax had continued to be chargeable, as a deduction allowable in computing profits for an accounting period ending at or before the end of the year nineteen hundred and forty-seven:
Provided that where an accounting period of a trade or business falls partly before and partly after the end of the year nineteen hundred and forty-seven, that period shall be treated for the purposes of this subsection as if it were a period ending at or before the end of that year, as respects, but only as respects, deductions which would have fallen to be treated as allowable as aforesaid for that period if it had ended at the end of that year.
- (2) Subject to the provisions of this subsection, the said subsection (2) of the said section thirty-three shall not apply to deductions in respect of expenses incurred in any accounting period ending after the end of the year nineteen hundred and forty-six so far as those expenses have been or are 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:
Provided that this subsection shall not prevent the attribution under the said subsection (2) of, or of any part of, any such expenses as aforesaid to any accounting period in which any sum paid to the person carrying on the trade or business by the Crown or any such government, authority or person as aforesaid to meet those expenses or that part thereof, as the case may be, is taken into account in computing

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 1946, Section 43. (See end of Document for details)*

the profits or loss of the trade or business for the purposes of excess profits tax, or would be so taken into account if excess profits tax had continued to be chargeable.

(3) Where—

- (a) any expenses which have been met in whole or in part, either 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 in question, are allowable in computing the profits of any trade or business for the purposes of excess profits tax ; and
- (b) apart from this subsection a sum paid to meet or towards meeting those expenses would fall to be taken into account in computing the profits of the trade or business for the purposes of excess profits tax for an accounting period ending after the end of the year nineteen hundred and forty-six, being an accounting period other than that in which the expenses are allowable, or would fall to be so taken into account if excess profits tax had continued to be chargeable,

that sum shall be taken into account in computing the profits of the trade or business for the purposes of excess profits tax for the accounting period in which the expenses are allowable, as if it had been a trading receipt for that period and shall not be taken into account in computing the profits of the trade or business for the purposes of excess profits tax for any other accounting period.

Where the expenses mentioned in paragraph (a) of this subsection are allowable partly in one accounting period and partly in one or more other accounting periods, the sum mentioned in paragraph (b) of this subsection shall be apportioned in the same proportions as the parts of the expenses so allowable, and for the purposes of this subsection the proportions of that sum so ascertained shall be treated as having been paid to meet or towards meeting the corresponding parts of those expenses.

- (4) The right under proviso (i) to subsection (1) of section twenty-three of the Finance Act, 1943 (which relates to payments to superannuation funds and certain other payments in respect of back service) to elect that a payment in respect of back service shall be apportioned among the accounting periods during which the back service was rendered shall not be exercisable as respects any payment made after the end of the year nineteen hundred and forty-seven.

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 43.