

LAW COMMISSION



STATUTE LAW REVISION

Tax and Duties



September 2006

BACKGROUND NOTES ON STATUTE LAW REVISION

What is it?

1. Statute law revision is the process of repealing statutes that are no longer of practical utility. The purpose is to modernise and simplify the statute book, thereby reducing its size and thus saving the time of lawyers and others who use it. This in turn helps to avoid unnecessary costs. It also stops people being misled by obsolete laws that masquerade as live law. If an Act features still in the statute book and is referred to in text-books, people reasonably enough assume that it must mean something.

Who does it?

2. The work of statute law revision is carried out by the Law Commission and the Scottish Law Commission pursuant to section 3(1) of the Law Commissions Act 1965. Section 3(1) imposes a duty on both Commissions to keep the law under review “with a view to its systematic development and reform, including in particular ... the repeal of obsolete and unnecessary enactments, the reduction of the number of separate enactments and generally the simplification and modernisation of the law”.

Statute Law (Repeals) Bill

3. Implementation of the Commissions’ statute law revision proposals is by means of special Statute Law (Repeals) Bills. 17 such Bills have been enacted since 1965 repealing more than 2000 whole Acts and achieving partial repeals in thousands of others. Broadly speaking the remit of a Statute Law (Repeals) Bill extends to any enactment passed at Westminster. Accordingly it is capable of repealing obsolete statutory text throughout the United Kingdom (i.e. England, Wales, Scotland and Northern Ireland) as well as extending where appropriate to the Isle of Man.

Consultation

4. The Law Commission consults widely before finalising its repeal proposals. The purpose of consulting is to secure as wide a range of views on the proposals as is practicable from all categories of persons who may be affected by the proposals. So the consultation may be with central or local government, organisations, trade bodies, individuals or anyone else who appears to have an interest in a proposal.

5. So far as consulting central government is concerned, any Department or agency with an interest in the subject matter of the repeal proposal will be invited to comment. Because obsolete legislation often extends throughout the United Kingdom it may be necessary to invite comments from several different Departments. So the following will routinely be consulted-

- ◆ The English Department or Departments with policy responsibility for the subject matter of the proposed repeal (this responsibility will extend to Scotland in appropriate cases)
- ◆ The Counsel General to the National Assembly for Wales and the Wales Office (unless the proposed repeal relates only to England)
- ◆ SLR colleagues at the Scottish Law Commission (if the proposed repeal extends to Scotland)
- ◆ Northern Ireland officials (if the proposed repeal extends to Northern Ireland).

Selection of repeal candidates

6. Candidates for repeal are selected on the basis that they are no longer of practical utility. Usually this is because they no longer have any legal effect on technical grounds - because they are spent, unnecessary or obsolete. But sometimes they are selected because, although they strictly speaking do continue to have legal effect, the purposes for which they were enacted either no longer exist or are nowadays being met by some other means.

7. Provisions commonly repealed by Statute Law (Repeals) Acts include the following-
- (a) references to bodies, organisations, etc. that have been dissolved or wound up or which have otherwise ceased to serve any purpose;
 - (b) references to issues that are no longer relevant as a result of changes in social or economic conditions (e.g. legislation about tithes or tin mines);
 - (c) references to Acts that have been superseded by more modern (or EU) legislation or by international Convention;
 - (d) references to statutory provisions (i.e. sections, schedules, orders, etc.) that have been repealed;
 - (e) repealing provisions e.g. "Section 33 is repealed/shall cease to have effect";
 - (f) commencement provisions once the whole of an Act is in force;
 - (g) transitional or savings provisions that are spent;
 - (h) provisions that are self-evidently spent - e.g. a one-off statutory obligation to do something becomes spent once the required act has duly been done;
 - (i) powers that have never been exercised over a period of many years or where any previous exercise is now spent.

General savings

8. Much statute law revision is possible because of the general savings provisions of section 16(1) of the Interpretation Act 1978. This provides that where an Act repeals an enactment, the repeal does not (unless the contrary intention appears) -

- “(a) revive anything not in force or existing at the time at which the repeal takes effect;
- (b) affect the previous operation of the enactment repealed or anything duly done or suffered under that enactment;
- (c) affect any right, privilege, obligation or liability acquired, accrued or incurred under that enactment;
- (d) affect any penalty, forfeiture or punishment incurred in respect of any offence committed against that enactment;
- (e) affect any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment;

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed, as if the repealing Act had not been passed”.

Gradual obsolescence

9. The obsolescence of statutes tends to be a gradual process. Usually there is no single identifiable event that makes a statute obsolete. The Statute Law (Repeals) Act 2004 contained several examples of legislation being overtaken by social and economic changes. A scheme to provide farming work for ex-servicemen after the First World War had long fallen into disuse. The policy of maximising cheap food production after the Second World War had been overtaken by new farming methods and the influence of the Common Agricultural Policy. Victorian powers for the Metropolitan Police to license shoeblacks and commissionaires had become as irrelevant as the offence of fraudulently impersonating a shoeblack or commissionaire. And an 1840s Act to sanction lotteries to help struggling artists sell their work had become superseded by the modern law on lotteries.

10. Even within individual statutes, the obsolescence tends to be gradual. Some provisions fade away more quickly than others. These include commencement and transitory provisions and 'pump-priming' provisions (e.g. initial funding and initial appointments to a Committee) to implement the new legislation. Next to go may be order-making powers that are no longer needed. Then the Committee established by the Act no longer meets and can be abolished. However, other provisions may be unrepealable for generations, particularly if they confer pensions rights or confer security of tenure or employment rights. Other provisions may be virtually unrepealable ever. Much of English property law relies on medieval statutes such as *Quia Emptores* (1290) which is regarded as one of the pillars of the law of real property. This last example usefully shows that just because a statute is ancient it is not necessarily obsolete.

Help from consultees

11. Sometimes it is impossible to tell whether a provision is repealable without factual information that is not readily ascertainable without 'inside' knowledge of a Department or other organisation. Examples of this include savings or transitional provisions which are there to preserve the status quo until an office-holder ceases to hold office or until repayment of a loan has been made. In cases like these the repeal notes drafted by the Law Commissions often invite the organisation being consulted to supply the necessary information. Any help that can be given to fill in the gaps is much appreciated.

REPEAL PROPOSALS

TAX AND DUTIES

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TAX AND DUTIES
REPEAL PROPOSALS

Reference

Extent of repeal or revocation

Hull Dues Act 1852
(15 & 16 Vict. c.cxxxvi)

The whole Act.

Hull Dues Act 1952

1. The purpose of the Hull Dues Act 1852 (“the 1852 Act”) was to authorise the reduction or abolition of tolls, charges and other dues payable to Kingston-upon-Hull Corporation¹ (“the Corporation”), the Hull Dock Company² and the Hull Trinity House.³ A copy of the [1852 Act](#) is attached to this note.

Background

2. The need to reduce or abolish tolls, charges and other dues (referred to in this note collectively as “the Dues”) arose from competitive pressure from other ports in the area. As the preamble to the 1852 Act explained-

...other Ports on the Eastern Coast of England now compete with the Port of Hull, and it has become desirable that the Rates, Dues, and other Charges on Shipping resorting to and on Goods imported into and exported from the Port of Hull should be reduced, in order that the Trade and Commerce of the said Port may be successfully maintained...

3. The Dues affected were as follows-

- ◆ *town dues* charged by the Corporation (i.e. tolls known as toll thorough, toll traverse, bridge toll, cart toll, market toll and corn toll)

¹ Now the Hull City Council.

² The Hull Dock Company subsequently amalgamated with the North Eastern Railway Company pursuant to the North Eastern Railway (Hull Docks) Act 1893 and was dissolved by that Act on 1 July 1893.

³ The Trinity House of Kingston-upon-Hull, which is distinct from the “Trinity House” referred to in maritime legislation, was instituted in 1369 and was incorporated by Royal Charter in 1457 as the “Guild of brotherhood of masters and pilots-seamen of the Trinity House of Kingston-upon-Hull.” Among other important powers, the Hull Trinity House was entitled to levy duties on river users. The duties collected were used for the relief of poor mariners.

- ◆ *river dues* charged by the Corporation (i.e. import dues, export dues, water bailiff dues, anchorage dues, jettage dues, hostage dues and ballast dues)⁴
- ◆ *shipping dues* charged by the Hull Dock Company known as tonnage rates and wharfage rates⁵
- ◆ dues known as *primage* charged by the Hull Trinity House on goods imported into, and exported from, the port of Hull.⁶

Effect of the 1852 Act

4. The preamble to the 1852 Act recited the agreement of the Corporation, the Hull Dock Company and the Hull Trinity House to reduce the level of the Dues in order to maintain the port of Hull's competitive trading position. This agreement was given effect to in the 1852 Act which authorised-

- ◆ the Corporation (with Treasury approval) to modify, reduce or abolish all or any of the town dues (*section 3*)
- ◆ the Corporation (with Treasury approval) to modify, reduce or abolish all or any of the river dues (*section 5*)
- ◆ the Corporation (with Treasury approval), Hull Trinity House (with court approval) and the Hull Dock Company to enter into any agreement to reduce any of the port-based charges by reducing or abolishing any of the Dues (*section 10*).

⁴ Humber Conservancy Act 1907 (7 Edw.7 c.xcvii), s 67 provided that the Corporation should cease to levy water bailiffs dues or any other dues of anchorage or jettage or other dues in respect of vessels passing through or anchoring in the River Humber; and that such dues were abolished.

⁵ After 1861, the Hull Dock Company was required to levy tonnage in accordance with section 27 of the Harbours, Docks and Piers Clauses Act 1847: Hull Docks Act 1861, s 107. Wharfage was to be charged to a maximum of two thirds of the rates detailed in section 197 of, and Schedule G to, the Kingston-upon-Hull Dock Act 1844; Hull Docks Act 1861, s 109. The 1947 Act was incorporated into the Associated British Ports (Hull) Act 1989 (which is the current governing instrument for the Port of Hull).

⁶ Since 1861, however, the Hull Trinity House has no longer been able to charge primage: see Harbours and Passing Tolls etc Act 1861, ss 6, 7, Sch 1.

5. The remaining provisions in the 1852 Act were ancillary to sections 3, 5 and 10 and served no independent purpose. In particular, *section 6* empowered the Board of Trade to issue a certificate of reduction of water bailiff dues; and *sections 11, 14, 15, and 16* were savings provisions drafted to preserve the existing rights of the Corporation, the Hull Dock Company and Hull Trinity House.

Present status of the 1852 Act

6. Although the 1852 Act has never been repealed, it appears to have no continuing relevance today. As its preamble clearly states, the 1852 Act was designed to provide a legal basis for agreements reached between the Corporation, the Hull Dock Company and the Hull Trinity House. In the interests of maintaining Hull's trading edge in the mid-nineteenth century, each party agreed to reduce the part or parts of the Dues to which it was entitled if the other parties did likewise. In other words, the 1852 Act was intended to provide a temporary legal solution to the changing economic conditions of the 1850s. The 1852 Act is now unnecessary and its repeal is now proposed on that basis.

7. Today the port of Hull is managed by Humber Estuary Services,⁷ a division of Associated British Ports which has owned and managed the port of Hull since 1962 when it existed as the British Transport Docks Board. The Board was reconstituted in 1982 as Associated British Ports Holdings plc pursuant to Part 2 of the Transport Act 1981. Its authority to levy charges on river users does not depend on the 1852 Act.⁸

8. In any event it is clear from the savings provisions in sections 14 to 16 that the 1852 Act was not intended to affect the rights of the Corporation, the Hull Dock Company or the Hull Trinity House except as expressly provided by the 1852 Act. Accordingly the repeal of the 1852 Act will not affect in any way such continuing rights as there are to charge all or any of the Dues.

Extent

9. The 1852 Act extended to the Kingston-upon- Hull area only.

⁷ Associated British Ports is the Competent Harbour Authority, the Conservancy and Navigation Authority, and the Lighthouse Authority for the Humber estuary.

⁸ Pilotage charges are levied under the Pilotage Act 1987, s 10. Other charges (including vessel registration charges and conservancy dues) are levied under the Humber Conservancy Acts 1852 to 1951.

Consultation

10. HM Treasury, HM Revenue and Customs (in respect of import and export dues formerly chargeable), the Department of Trade and Industry, the Department for Transport, the Charity Commission, Hull City Council, Hull Trinity House and Associated British Ports Holdings plc have been consulted about these repeal proposals.

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Customs, Inland Revenue, and Savings Banks Act 1877 (40 & 41 Vict. c.13)

The whole Act (except as it extends to Scotland).

Customs, Inland Revenue, and Savings Banks Act 1877

1. According to its long title, the purpose of the Customs, Inland Revenue, and Savings Banks Act 1877 (“the 1877 Act”) was ‘to grant certain Duties of Customs and Inland Revenue, and to amend the Laws relating to Customs, Inland Revenue, and Savings Banks’. Today only one substantive provision remains in force and it does so in Scotland only. Accordingly the whole Act may now be repealed except as it extends to Scotland.

2. The various provisions of the 1877 Act have been repealed as follows-

- ◆ sections 2, 6-9, 13, Schedule B (Statute Law Revision Act 1883)
- ◆ sections 3, 5, 10, Schedule A (Customs and Excise Act 1952⁹)
- ◆ section 4 (Public Authorities Protection Act 1893¹⁰)
- ◆ section 11 (Spirits Act 1880¹¹)
- ◆ sections 14, 17 (Post Office Savings Bank Act 1954¹²)
- ◆ section 15 (Trustee Savings Banks Act 1954¹³)
- ◆ section 16 (Industrial Assurance and Friendly Societies Act 1948¹⁴).

3. Today the only provision in the 1877 Act that remains in force (other than the short title in section 1) is *section 12* which (as amended¹⁵) provides-

Transmission and custody of inventories in Scotland

To the extent that the Registrar, Capital Taxes Office at Edinburgh may require, inventories of the personal or movable estate and effects of deceased persons

⁹ The 1952 Act, s 320, Sch 12, Pt 1.

¹⁰ The 1893 Act, s 2.

¹¹ The 1880 Act, s 164, Sch 5.

¹² The 1954 Act, s 26(1), Sch; Trustee Savings Banks Act 1954, s 82(1), Sch 3.

¹³ The Trustee Savings Bank Act 1954, s 82(1), Sch 3.

¹⁴ The 1948 Act, s 19(4)(b), Sch 6 Pt 1.

¹⁵ See Finance Act 1980, s 94(7), Sch 20, Pt 11, Law Reform (Miscellaneous Provisions) (Scotland) Act 1980, ss 9, 28(2), Sch 3.

which shall be exhibited and recorded in Scotland, under the provisions of any Act of Parliament, shall, together with the oath or affirmation relating thereto, be transmitted by the commissary clerks or the sheriff clerks to the Registrar, Capital Taxes Office at Edinburgh; and all enactments relating to any such inventories shall be read as if the officer to or with whom inventories are thereby directed to be transmitted or lodged were the Registrar, Capital Taxes Office at Edinburgh.

4. The effect of section 12 is to-
 - (a) empower the transmission to the Capital Taxes Office in Edinburgh of inventories of the personal or movable estate of deceased persons by commissary clerks or sheriff clerks; and
 - (b) construe earlier documents.

5. Clearly the 1877 Act can today have effect only in Scotland. Accordingly the repeal of the whole Act is proposed except, because of section 12, in relation to Scotland. **Consultees are asked to consider whether section 12 continues to serve a useful purpose in Scotland and, if so, whether there is other legislation having effect in Scotland which would be a more appropriate repository for section 12 (given that the Act's short title is now misleading). A re-siting of section 12 (which could be achieved by amendment in the current Bill) would permit repeal of the 1877 Act as a whole.**

Extent

6. The 1877 Act originally extended throughout the United Kingdom but today has effect only in Scotland.

Consultation

7. HM Treasury, HM Revenue and Customs (including the Capital Taxes Office in Edinburgh) and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about this repeal proposal.

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<i>Reference</i>	<i>Extent of repeal or revocation</i>
Customs and Inland Revenue Act 1879 (42 & 43 Vict. c.21)	The whole Act.
Customs and Excise Management Act 1979 (c.2)	In Schedule 4, in paragraph 12, the entry in Part 1 of the Table relating to the Customs and Inland Revenue Act 1879.

Customs and Inland Revenue Act 1879

1. The purposes of the Customs and Inland Revenue Act 1879 (“the 1879 Act”) included amending the existing laws relating to customs duties and taxation. It also prohibited the import of certain goods.

2. The 1879 Act has been extensively repealed over the years to the point where the only unrepealed provision (apart from the short title) is *section 5* (prohibitions and restrictions).

3. As originally enacted, section 5 provided as follows-

“In addition to the several goods enumerated and described in section forty-two of the Customs Consolidation Act, 1876, as thereby prohibited and restricted there shall be read and construed therewith the following: All articles bearing or having affixed to them any stamp, name, writing, or other device implying or tending to imply any sanction or guarantee by the Customs or by any other department of the Government.”. (italics added)

4. Section 5 was shortened by the Customs and Excise Management Act 1979 (“the 1979 Act”). For the words in italics was substituted: “The importation of the following goods is prohibited, that is to say”.¹⁶

5. The 1879 Act now serves no purpose except to keep in force the import prohibition contained in section 5. A more appropriate place for this prohibition would be the Customs Consolidation Act 1876 (“the 1876 Act”), section 42 of which (prohibitions and restrictions) already contains a table of ‘goods prohibited to be imported’. Indeed section 5, as originally enacted, expressed itself to be adding to the list of goods set out

¹⁶ The 1979 Act, s 177(1), Sch 4, para 12, Table, Pt 1.

in section 42. This re-siting of section 5 may be achieved by the entry in the attached *Schedule of consequential and connected provisions*, and will permit the whole of the 1879 Act to be repealed.

6. Consequential upon the repeal of the 1879 Act will be the repeal of the provision in the 1979 Act that substituted the opening words of section 5.

Extent

7. Section 5 of the 1879 Act extends throughout the United Kingdom.

Consultation

8. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about this repeal proposal.

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**SCHEDULE
OF
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Customs Consolidation Act 1876 (c.36)

. In section 42 of the Customs Consolidation Act 1876 (prohibitions and restrictions), in the Table of prohibitions and restrictions inwards, insert as the first entry under the heading “Goods prohibited to be imported”-

“All articles bearing or having affixed to them any stamp, name, writing, or other device implying or tending to imply any sanction or guarantee by the Customs or by any other Department of the Government.”.

Reference

Extent of repeal or revocation

Stamp Act 1891
(54 & 55 Vict. c.39)

Section 25.
Section 49.
Section 111.
Section 120.
In section 122(1), the words “The
expression “steward”” to the end.

Stamp Act 1891

1. The Stamp Act 1891 (“the 1891 Act”) consolidated the existing statutory law relating to stamp duties. Several provisions of this Act have since become obsolete.

2. *Section 25* (meaning of instrument of apprenticeship) is an obsolete interpretative provision. It deems certain written documentation relating to the service or tuition of apprentices, clerks and servants to be instruments of apprenticeship for the purposes of Schedule 1 to the 1891 Act, which imposed stamp duty (2s 6d) on instruments of apprenticeship. However the Finance Act 1949 exempted instruments of apprenticeship from stamp duty¹⁷ and repealed the relevant entry in Schedule 1 to the 1891 Act.¹⁸ Section 25 is accordingly now obsolete and may be repealed.

3. *Section 49* is similarly obsolete. It defines ‘charter-party’ for the purposes of sections 50 and 51 of, and Schedule 1 to, the 1891 Act. However the Finance Act 1949 exempted charter-parties from stamp duty¹⁹ and repealed sections 50 and 51 of, and the relevant entry in Schedule 1 to, the 1891 Act.²⁰ Section 49 is accordingly now obsolete and may be repealed.

4. *Section 111* is also obsolete. Section 111(1) defines ‘warrant for goods’ for the purposes of Schedule 1 to the 1891 Act. However the Finance Act 1949 exempted warrants for goods from stamp duty²¹ and repealed not only the rest of section 111 but

¹⁷ The 1949 Act, s 35(1), Sch 8, Pt 1, para 4.

¹⁸ The 1949 Act, s 52(10), Sch 11, Pt 5.

¹⁹ The 1949 Act, s 35(1), Sch 8, Pt 1, para 9.

²⁰ The 1949 Act, s 52(10), Sch 11, Pt 5.

²¹ The 1949 Act, s 35(1), Sch 8, Pt 1, para 27.

also the relevant entry in Schedule 1 to the 1891 Act.²² Section 111 is accordingly now obsolete and may be repealed.

5. *Section 120* (instruments charged with duty of 35 shillings/£1.75) (as originally enacted) provided as follows—

Any instrument which by any Act passed before the first day of January one thousand eight hundred and seventy-one and not relating to stamp duties, is specifically charged with the duty of thirty-five shillings, shall be chargeable only with the duty of ten shillings in lieu of the said duty of thirty-five shillings.

6. The only amendment to section 120 since 1891 has been the substitution of £1.75 for 35 shillings and 50p for ten shillings.²³

7. Section 120 derives from section 4 of the Stamp Act 1870 and was carried forward into the consolidating 1891 Act (which repealed section 4²⁴). The purpose of section 4 seems to have been to reduce stamp duty for a limited range of instruments such as a company's memorandum of association.²⁵ It seems unlikely, however, that there remain any statutory provisions upon which section 120 can operate. Indeed this is the view taken by textbook writers.²⁶ On the basis that section 120 serves no useful modern purpose its repeal is now recommended.

8. *Section 122* defines expressions used in the 1891 Act. The definition in subsection (1) of *steward of a manor* as including a deputy steward refers to the original provisions of the 1891 Act concerning copyhold and customary estates. These provisions, contained within sections 65 to 68, were repealed in 1949, thereby rendering the definition of steward obsolete.²⁷

²² The 1949 Act, s 52(10), Sch 11, Pt 5.

²³ By virtue of Decimal Currency Act 1969, s 10(1).

²⁴ The 1891 Act, s 123, Sch 3.

²⁵ *Piper's Stamp Laws and Duties* (1912) gives this instrument as an example. Companies Act 1862, s 11 (repealed) provided for a company's memorandum of association 'to bear the same stamp as if it were a deed'.

²⁶ See for example *Sergeant and Sims on Stamp Duties* (current loose-leaf edition) which describes section 120 as spent (Division B/27). The *Law of Stamp Duties* (Alpe) (25th edition, 1960) describes section 120 as appearing 'to be a dead letter' (page 12).

²⁷ Finance Act 1949, s 52(9), (10), Sch 11, Pt 5; Finance Act (Northern Ireland) 1949, s 16, Sch 4, Pt 2.

Extent

9. The 1891 Act extends throughout the United Kingdom, although most of the provisions proposed for repeal have already been repealed in relation to Northern Ireland.²⁸

Consultation

10. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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²⁸ Finance Act (Northern Ireland) 1949, s 16, Sch 4, Pt 2 (in relation to sections 49 and 111); Statute Law Revision Act (Northern Ireland) 1954 (in relation to the section 122 proposal).

Reference

Extent of repeal or revocation

Finance Act 1902
(2 Edw.7 c.7)

The whole Act.

Finance Act 1902

1. The purposes of the Finance Act 1902 (“the 1902 Act”) included amending section 10 of the Finance Act 1901 (“the 1901 Act”).

2. The 1902 Act has been extensively repealed over the years to the point where the only unrepealed provision (apart from the short title) is *section 7* (amendment of section 10 of the 1901 Act).

3. *Section 7* provides as follows-

Section ten of the Finance Act, 1901, applies although the goods have undergone a process of manufacture or preparation, or have become a part or ingredient of other goods.

4. The 1902 Act now serves no purpose except to keep in force the amendment made to the 1901 Act by section 7. The effect of section 7 may conveniently be preserved by the entry in the attached *Schedule of consequential and connected provisions*. This will supersede section 7 and enable the whole of the 1902 Act to be repealed.

Extent

5. Section 7 of the 1902 Act extends throughout the United Kingdom.

Consultation

6. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about this repeal proposal.

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**SCHEDULE
OF
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Finance Act 1901 (c.7)

. In section 10 of the Finance Act 1901 (addition or deduction of new or altered duties in the case of contract), after subsection (3) insert-

“(3A) This section applies whether or not the goods have undergone a process of manufacture or preparation, or have become a part or ingredient of other goods.”.

Finance Act 1911
(1 & 2 Geo.5 c.48)

The whole Act.

Finance Act 1911

1. The Finance Act 1911 (“the 1911 Act”) amended the existing law in relation to a range of taxes including stamp duty, income tax and death duties. Although every provision in the 1911 Act, other than the short title, has now been repealed, the Act as a whole has never been formally repealed.

2. The various provisions of the 1911 Act have been repealed as follows-

- ◆ preamble, sections 1, 14, 22(1), Schedule (Statute Law Revision Act 1927) sections 2 -10 (Customs and Excise Act 1952²⁹)
- ◆ sections 11, 12 (Finance Act 1920³⁰)
- ◆ section 13 (Finance Act 1963³¹)
- ◆ section 15 (Finance Act 1924³²)
- ◆ section 16 (Statute Law Revision Act 1959)
- ◆ section 17 (Finance Act 1942³³)
- ◆ section 18 (Finance Act 1975, subject to saving³⁴)
- ◆ section 19 (Finance Act 1912³⁵)
- ◆ section 20 (Post Office Act 1969³⁶)
- ◆ sections 21, 22(2) (Statute Law (Repeals) Act 1973³⁷).

3. Today the only provision in the 1911 Act that remains in force is section 22(3) (the short title). On the face of it, therefore, the whole of the 1911 Act may now be

²⁹ The 1952 Act, s 320, Sch 12, Pt 1.

³⁰ The 1920 Act, s 64(3), Sch 4.

³¹ The 1963 Act, s 73(8)(b), Sch 11, Pt 4.

³² The 1924 Act, ss 20, 41, Sch 3.

³³ The 1942 Act, s 47, Sch 11, Pt 3.

³⁴ The 1975 Act, ss 50, 52(2)(3), 59, Sch 13, Pt 1.

³⁵ The 1912 Act, s 9.

³⁶ The 1969 Act, s 141, Sch 11, Pt 2.

³⁷ The 1973 Act, s 1(1), Sch 1, Pt 13.

formally repealed. Since, however, section 18 was repealed subject to a saving, the continuing need for this saving should be reviewed.

4. Section 18 provided as follows-

It is hereby declared that, in estimating for the purposes of subsection (5) of section 7 of the Finance Act 1894³⁸, the principal value of any agricultural property which comprises cottages occupied by persons employed solely for agricultural purposes in connexion with the property, no account shall be taken of any value attributable to the fact that the cottage is suitable for residential purposes of any persons other than agricultural labourers or workmen on the estate.

5. Section 18 was repealed by section 52(2) of the Finance Act 1975 subject to the saving that the repeal took effect only "in relation to deaths occurring after the passing of this Act".³⁹ The repeal formed part of the overall scheme of the Finance Act 1975 whereby capital transfer tax replaced estate duty as the principal vehicle for taxing the estates of deceased persons in respect of deaths occurring after 12 March 1975.⁴⁰ **HM Revenue and Customs are asked to consider whether section 18 of the 1911 Act continues to serve any useful purpose in calculating the value of agricultural property in old estate duty cases.**

6. If section 18 still serves a useful purpose, an appropriate saving provision will be drafted to continue its effect. However, whether or not a saving is needed, the 1911 Act should now be removed from the statute book by means of formal repeal.

Extent

7. The 1911 Act extended throughout the United Kingdom.

³⁸ Section 7(5) of the Finance Act 1894 provided as follows-

"The principal value of any property [i.e. for the purpose of charging estate duty] shall be estimated to be the price which, in the opinion of the Commissioners, such property would fetch if sold in the open market at the time of the death of the deceased;
Provided that, in the case of any agricultural property, where no part of the principal value is due to the expectation of an increased income from such property, the principal value shall not exceed twenty-five times the annual value as assessed under Schedule A of the Income Tax Acts after making such deductions as have not been allowed in that assessment and are allowed under the Succession Duty Act 1853, and making a deduction for the expenses of management not exceeding five per cent of the annual value so assessed."

³⁹ The 1975 Act, s 52(2)(a). The 1975 Act was passed on 13 March 1975.

⁴⁰ As from 25 July 1986 capital transfer tax became known as inheritance tax: Finance Act 1986, s 100.

Consultation

8. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about this repeal proposal.

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Finance Act 1923
(13 & 14 Geo.5 c.14)

The whole Act.

Finance Act 1923

1. The purposes of the Finance Act 1923 (“the 1923 Act”) included making provisions about income tax and death duties.

2. The whole of the 1923 Act (other than ancillary provisions in *section 39*) has already been repealed.⁴¹ The purpose of this note is to indicate that the savings attached to certain of these repeals are now unnecessary with the result that the 1923 Act may now be repealed outright without the savings.

3. Part 2 of the 1923 Act (income tax and inhabited house duty) comprised *sections 14 to 31* which provided as follows-

- ◆ *section 14* (the rate of income tax and super-tax for 1923-24)
- ◆ *section 15* (new scale of annual values for purposes of inhabited house duty⁴²)
- ◆ *section 16* (amendments as to income tax on assurance companies)
- ◆ *section 17* (income tax on leave pay etc to be chargeable under Schedule E)
- ◆ *section 18* (provision as to relief from double taxation on profits from the business of shipping)
- ◆ *section 19* (exemption from income tax of salaries of High Commissioners, Agents-General and their staffs)
- ◆ *section 20* (relief from super-tax⁴³ in respect of establishment of Irish Free State)

⁴¹ Sections 1, 4, 6, 7, 36, 38, 39 (part), Sch repealed by Statute Law Revision Act 1950; ss 2, 3, 8 repealed by Customs and Excise Act 1952, s 320, Sch 12, Pt 1; ss 5, 9 repealed by Finance Act 1924, s 41, Sch 3; ss 10, 32 repealed by Finance Act 1928, s 35, Sch 5; ss 11, 12, 39 (part) repealed by Finance Act 1957, s 42(5), Sch 9, Pt 1; s 13 repealed by Statute Law (Repeals) Act 1977, s 1(1), Sch 1, Pt 10; ss 14-31 repealed by Income Tax Act 1952, ss 527, 529(5), Sch 25; s 33 repealed by National Debt Act 1958, s 17(1), Sch; s 34 repealed by Statute Law Revision Act 1959; ss 35, 39 (part) repealed by Statute Law Revision Act 1953; s 37 repealed by Finance Act 1949, s 52(9), (10), Sch 11, Pt 4.

⁴² Inhabited house duty was a tax assessed on the rents or letting value of houses between 1808 and 1924. It was abolished by Finance Act 1924, s 20.

⁴³ Super-tax was an additional tax on income. Introduced by Finance (1909-10) Act 1910, s 66, it was abolished with effect from tax year 1929-30 by Finance Act 1927, s 38(1). It was replaced by surtax.

- ◆ *section 21* (exemption for charities in Irish Free State in respect of tax for 1923-24)
- ◆ *section 22* (exemption from income tax for 1923-24 of funds of National Health Insurance Authorities and certain unemployment funds in the Irish Free State)
- ◆ *section 23* (amendments as to fines and penalties)
- ◆ *section 24* (relief in respect of error or mistake)
- ◆ *section 25* (procedure on appeals before General Commissioners)
- ◆ *section 26* (provisions as to appeals against Schedule A, Schedule B and inhabited house duty assessments)
- ◆ *section 27* (right of appeal in respect of Schedule A values and assessments for 1923-24)
- ◆ *section 28* (amendment as to allowance for repairs)
- ◆ *section 29* (time within which assessments may be amended, additional assessments made, etc)
- ◆ *section 30* (time within which claims for repayment may be made)
- ◆ *section 31* (determination of annual values for purposes of income tax under Schedule B for 1923-24).

4. The whole of Part 2 of the 1923 Act was repealed by the Income Tax Act 1952⁴⁴ subject to the saving proviso that this repeal did not apply to income tax for the year 1951-52 or for any earlier year of assessment.⁴⁵ Such a saving provision is standard in repeals of income tax legislation so as to allow the repealed provisions to continue to apply in relation to outstanding tax claims, appeals and other proceedings. However, since all proceedings in relation to tax for 1923-24 and earlier years will have long since been disposed of, Part 2 of the 1923 Act may now be repealed outright without any continuing saving provision.

⁴⁴ The 1952 Act, s 527(1), Sch 25, Pt 1.

⁴⁵ The 1952 Act, s 527(1), proviso.

5. Section 37 of the 1923 Act provided as follows-

Provision as to inclusion of property outside Great Britain in property passing on the death of a deceased person

37.—(1) Where property situate out of Great Britain is bequeathed to or settled on different persons in succession and legacy duty or succession duty has, whether before or after the commencement of this Act, been paid thereon, such duty shall, for the purposes of subsection (2) of section two of the Finance Act, 1894 (which provides that property situate out of Great Britain shall be deemed to be included in property passing on the death of the deceased only if legacy or succession duty is payable in respect thereof, or would be so payable but for the relationship of the person to whom it passes), be deemed to be payable in respect of the property on the death of each of those persons in succession, notwithstanding that the whole amount of the duty was paid on one death only as in the case of a legacy to one person.

(2) This section shall apply in the case of property passing on the death of a person who dies on or after the sixteenth day of April, nineteen hundred and twenty-three.

6. Section 37 was repealed by the Finance Act 1949 subject to a saving provision in respect of any legacy duty or succession duty to which section 27 of the 1923 Act (abolition of death duties) did not apply.⁴⁶ However, by virtue of the Finance Act 1975, liability for all types of legacy duty and succession duty has been abolished with effect from 14 March 1975.⁴⁷ Accordingly the saving in respect of the repeal of section 37 is no longer necessary.

7. The only other provisions in the 1923 Act that await a full repeal are section 39(1) and (3). Section 39(1), providing for the construing of Part 1 of the 1923 Act, became obsolete once the last surviving provision in Part 1 was repealed in 1977.⁴⁸ Section 39(3) is the short title, which will be unnecessary with the repeal of every other provision in the 1923 Act.

Extent

8. The 1923 Act extended throughout the United Kingdom.

⁴⁶ The 1949 Act, s 52(10), Sch 11, Pt 4 (and saving at end).

⁴⁷ The 1975 Act, s 50(1).

⁴⁸ Section 13, which was repealed by Statute Law (Repeals) Act 1977, s 1(1), Sch 1, Pt 10.

Consultation

9. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about this repeal proposal.

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Reference

Extent of repeal or revocation

Finance Act 1932
(22 & 23 Geo.5 c.25)

The whole Act.

Finance Act 1932

1. The purposes of the Finance Act 1932 (“the 1932 Act”) included amending the existing law on income tax and providing for the payment of compensation to former collectors of taxes.

2. Changes in the law and practice since 1932 have resulted in the repeal of substantially the whole of the 1932 Act. The only provisions awaiting a final repeal are identified in this note.

3. *Section 29* (power to grant compensation allowances to certain collectors of taxes on determination of appointment) empowered the Treasury to award an annual compensation allowance to certain collectors of taxes in England and Wales or Northern Ireland (including collectors of land tax) whose appointments were determined as a result of organisational improvements in the collecting of taxes. To qualify for this allowance, a collector had to be-

- (a) in post on 31 July 1931; and
- (b) still in post on 16 June 1932 (commencement of the 1932 Act).

4. Whether or not any annual allowances under section 29 remain in payment today, the right to the allowance in relation to any collector of taxes affected by the organisational improvements will have crystallised soon after the passing of the 1932 Act once the Treasury had determined the issue of entitlement to compensation in individual cases. Accordingly grants can no longer be made under this provision. Moreover, the repeal of section 29 will not prejudice any payments still being made by virtue of section 29⁴⁹ nor any increases due under the Pensions (Increase) Act 1971.⁵⁰

⁴⁹ By virtue of s 16(1) of the Interpretation Act 1978, the repeal of an enactment does not affect the previous operation of the enactment or any right, privilege, obligation or liability acquired, accrued or incurred under that enactment.

⁵⁰ The 1971 Act, Sch 2, para 34.

5. The only other unrepealed provision in the 1932 Act (apart from the Act's short title and extent provisions in section 31) is *section 25(7)* which provides-

It is hereby declared that ... in section 3 of the Currency and Bank Notes Act 1928 (which relates to the securities to be held in the issue department), the expression "securities" includes securities and assets in currency of any country and in whatever form held.⁵¹

6. Given that section 25(7) serves no purpose except to keep in force the gloss to section 3 of the Currency and Bank Notes Act 1928, the effect of section 25(7) may conveniently be preserved by the entry in the attached Schedule of *consequential and connected provisions*. This will supersede section 25(7) and enable the repeal of that provision.

7. There being no other substantive provisions, the repeal of section 25(7) will then permit the formal repeal of the 1932 Act as a whole.

Extent

8. The 1932 Act extended throughout the United Kingdom.⁵²

Consultation

9. HM Treasury, HM Revenue and Customs, the Bank of England and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about this repeal proposal.

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⁵¹ The issue department refers to the relevant department of the Bank of England. The rest of section 25 has been repealed already, subs(1) by the Statute Law Revision Act 1966, and subs (2) to (6) by the Currency and Bank Notes Act 1939, s 5, Sch. The text shown missing in subs (7) was repealed by the Exchange Equalisation Account Act 1979, s 5(2), Sch.

⁵² The 1932 Act did not extend to Northern Ireland to the extent that it related to matters with respect to which the (abolished) Parliament of Northern Ireland had power to make laws: s 31(6).

SCHEDULE
OF
CONSEQUENTIAL AND CONNECTED PROVISIONS

Currency and Bank Notes Act 1928 (c.13)

. In section 3 of the Currency and Bank Notes Act 1928 (securities for note issue to be held in issue department), after subsection (3) insert-

“(4) In this section the expression “securities” includes securities and assets in currency of any country and in whatever form held.”.

Reference

Extent of repeal or revocation

Finance (No.2) Act 1939
(2 & 3 Geo.6 c.109)

The whole Act.

Finance (No.2) Act 1939

1. The purposes of the Finance (No.2) Act 1939 (“the 1939 Act”) included imposing a new tax known as *excess profits tax* and increasing the existing rates of *estate duty*. Much of the 1939 Act has already been repealed. The remaining provisions are either obsolete or unnecessary. This note proposes the repeal of the 1939 Act as a whole.

Part 1 (customs and excise)

2. *Part 1* of the 1939 Act (sections 1 to 6 and Schedules 1 to 5) has already been repealed.⁵³

Part 2 (income tax)

3. *Part 2* of the 1939 Act (sections 7 to 11 and Schedule 6) related to income tax for the year 1939-40 and has already been repealed⁵⁴ subject to the saving proviso that this repeal did not apply to income tax for the year 1951-52 or for any earlier year of assessment.⁵⁵ Such a saving provision is standard in repeals of income tax legislation so as to allow the repealed provisions to continue to apply in relation to outstanding tax claims, appeals and other proceedings. However, since all proceedings in relation to tax for 1939-40 will have long since been disposed of, *Part 2* of the 1939 Act may now be repealed outright without the saving provision.

Part 3 (excess profits tax)

4. *Part 3* of the 1939 Act (sections 12 to 22 and Schedule 7) related to *excess profits tax*. These provisions, though obsolete, have not been repealed.

⁵³ S 1 and Sch 1 by Finance Act 1959, s 37(5), Sch 8, Pt 1; s 2 and Sch 2 by Statute Law Revision Act 1950; s 3 and Sch 3 by Finance Act 1949, s 52(9)(10), Sch 11, Pt 3 and Customs and Excise Act 1952, s 320, Sch 12, Pt 1; s 4 by Finance (No 2) Act 1940, s 42(8), Sch 10; s 5 by Customs and Excise Act 1952, s 320, Sch 12, Pt 1; s 6 and Sch 5 by Finance Act 1949, s 52(9)(10), Sch 11 Pt 3; Statute Law Revision Act 1950; Finance Act 1952, s 76(8), Sch 14, Pt 3; Customs and Excise Act 1952, s 320, Sch 12, Pt 1; Finance Act 1962, s 34(7), Sch 11, Pt 1; Sch 4 by Finance Act 1964, s 26(7), Sch 9.

⁵⁴ Income Tax Act 1952, s 527(1), Sch 25, Pt 1.

⁵⁵ The 1952 Act, s 527(1), proviso.

5. Excess profits tax ('EPT') was established by section 12 of the 1939 Act with effect from 1 April 1939. It applied to all trades and businesses (but not professions) carried on in the UK (or carried on outside the UK by persons ordinarily resident in the UK). EPT was imposed on all profits in excess of the 'standard' profits of the trade or business.

6. EPT was in effect abolished by section 36 of the Finance Act 1946, which provided that EPT was not to be chargeable in respect of any accounting period beginning after 31 December 1946. Moreover, no assessment to EPT could be made after 18 July 1961, except in so far as the assessment was required to make good any loss of tax resulting from fraud or wilful default.⁵⁶

7. The repeal of Part 3 is long overdue and is now proposed. The repeal will include the now spent *section 20*, which repealed the provisions in the earlier Finance Act 1939 relating to armament profits duty.

Part 4 (estate duty)

8. *Part 4* of the 1939 Act (section 23) related to estate duty. It increased the rate at which estate duty was chargeable in respect of the estates of persons dying after 27 September 1939.

9. Section 23 no longer serves any useful purpose and its repeal is proposed. It was repealed by the Finance Act 1975 in relation to deaths occurring after the passing of that Act (13 March 1975).⁵⁷ This was in consequence of estate duty being abolished in respect of property passing on deaths occurring after that date.⁵⁸ In respect of deaths occurring before 14 March 1975 the repeal of section 23 will not prejudice any existing liability to pay estate duty.⁵⁹

⁵⁶ Finance Act 1961, s 32(1)-(3).

⁵⁷ The 1975 Act, s 52(2)(a), Sch 13, Pt 1. Section 23 had previously been repealed in part by Finance (No 2) Act 1940, s 42(8), Sch 10.

⁵⁸ The 1975 Act, s 49(1).

⁵⁹ By virtue of s 16(1) of the Interpretation Act 1978, the repeal of an enactment does not affect the previous operation of the enactment or any right, privilege, obligation or liability acquired, accrued or incurred under that enactment.

Part 5 (general)

10. *Part 5* of the 1939 Act (section 24) provided for the Act's short title, construction and extent. These are provisions ancillary to Parts 1 to 4 of the 1939 Act and will be unnecessary following the proposed repeal of those Parts.

Conclusion

11. There being no provisions in the 1939 Act which continue to serve any useful purpose, the 1939 Act should now be repealed as a whole.

Extent

12. The provisions proposed for repeal extended throughout the United Kingdom.

Consultation

13. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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<i>Reference</i>	<i>Extent of repeal or revocation</i>
Finance Act 1940 (3 & 4 Geo.6 c.29)	Part 3. Section 65(4). Schedule 1. Schedules 5 and 6.

Finance Act 1940

1. The purposes of the Finance Act 1940 (“the 1940 Act”) included amending the existing legislation about excess profits tax (“EPT”) and national defence contribution (“NDC”). This note identifies provisions in the 1940 Act relating to these obsolete taxes and to other obsolete provisions.

EPT/NDC

2. *Part 3* of the 1940 Act (sections 26 to 42 and Schedules 5 and 6) relates solely to EPT and NDC. Most of the provisions are concerned with the calculation of the two taxes, and make amendments to the Finance (No 2) Act 1939 (“the 1939 Act”), an Act which is itself now obsolete and proposed for repeal in a separate note. As indicated in the *Annex* both EPT and NDC have long been abolished with the result that *Part 3* of the 1940 Act is (together with the ancillary Schedules 5 and 6) now unnecessary.⁶⁰ A consequential repeal will be section 65(4) (an interpretation provision relating to *Part 3*).

Beer

3. *Schedule 1* to the 1940 Act amended the excise duties charged on beer by section 1 of, and *Schedule 1* to, the 1939 Act. Since, however, those 1939 Act provisions have long been repealed,⁶¹ the amendments in *Schedule 1* are now unnecessary and may themselves be repealed.

Extent

4. The provisions proposed for repeal extended throughout the United Kingdom.

⁶⁰ Sections 40 and 42 have already been repealed: s 40 by Finance Act 1947, s 74, Sch 11, Pt 2; Finance Act 1965, s 97(5), Sch 22, Pt 5; s 42 by Statute Law Revision Act 1950.

⁶¹ Finance Act 1959, s 37(5), Sch 8, Pt 1. Indeed Parts 1, 3 and 4 of *Schedule 1* to the 1940 Act have already been repealed: Finance (No 2) Act 1940, s 42(8), Sch 10.

Consultation

5. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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07 September 2006

<i>Reference</i>	<i>Extent of repeal or revocation</i>
Finance (No 2) Act 1940 (3 & 4 Geo.6 c.48)	Part 3. Section 42(4).

Finance (No 2) Act 1940

1. The purposes of the Finance (No 2) Act 1940 (“the 1940 Act”) included amending the existing legislation about excess profits tax (“EPT”) and national defence contribution (“NDC”).

2. *Part 3* of the 1940 Act (sections 13 to 15) relates solely to EPT and NDC. The provisions were concerned generally with the calculation of the two taxes and in particular with the deductions that were allowable in computing profits for the purposes of the taxes. As indicated in the *Annex* both EPT and NDC have long been abolished with the result that *Part 3* of the 1940 Act is now unnecessary. A consequential repeal will be section 42(4) (an interpretation provision relating to *Part 3*).

Extent

3. The provisions proposed for repeal extended throughout the United Kingdom.

Consultation

4. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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<i>Reference</i>	<i>Extent of repeal or revocation</i>
Finance Act 1941 (4 & 5 Geo.6 c.30)	Part 3. Section 52(4). Schedules 2 to 4.

Finance Act 1941

1. The purposes of the Finance Act 1941 (“the 1941 Act”) included amending the existing legislation about excess profits tax (“EPT”) and national defence contribution (“NDC”).

2. *Part 3* of the 1941 Act (sections 28 to 44) relates solely to EPT and NDC. The provisions relate to the calculation of the two taxes and amend earlier legislation relating to the taxes (this earlier legislation is also being recommended for repeal). As indicated in the *Annex* both EPT and NDC have long been abolished with the result that *Part 3* of the 1941 Act is (together with the ancillary Schedules 2 to 4) now unnecessary. A consequential repeal will be section 52(4) (an interpretation provision relating to *Part 3*).

Extent

3. The provisions proposed for repeal extended throughout the United Kingdom.

Consultation

4. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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Reference

Extent of repeal or revocation

Finance Act 1942
(5 & 6 Geo.6 c.21)

Part 4.
Section 49(5).
Schedule 9.

Finance Act 1942

1. The purposes of the Finance Act 1942 (“the 1942 Act”) included amending the existing legislation about excess profits tax (“EPT”) and national defence contribution (“NDC”).

2. *Part 4* of the 1942 Act (sections 36 to 41) relates solely to EPT and NDC. The provisions were concerned with the calculation of the two taxes, except that section 36(1) had the effect of removing the original 5-year time limit on NDC. As indicated in the *Annex* both EPT and NDC have long been abolished with the result that *Part 4* of the 1942 Act (together with the ancillary Schedule 9) is now unnecessary. A consequential repeal will be section 49(5) (an interpretation provision relating to *Part 4*).

Extent

3. The provisions proposed for repeal extended throughout the United Kingdom.

Consultation

4. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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<i>Reference</i>	<i>Extent of repeal or revocation</i>
Finance Act 1943 (6 & 7 Geo.6 c.28)	Part 3. Section 28. Section 31(4). Schedules 7 and 8.
Finance Act 1944 (7 & 8 Geo.6 c.23)	Part 5. Section 49(5).

Finance Act 1943

1. The purposes of the Finance Act 1943 (“the 1943 Act”) included amending the existing legislation about excess profits tax (‘EPT’) and national defence contribution (‘NDC’).

2. *Part 3* of the 1943 Act (sections 21 to 25) relates solely to EPT. These provisions were concerned with the computation of the profits upon which EPT would be assessed. As indicated in the *Annex*, EPT has long been abolished with the result that *Part 3* (together with the ancillary Schedule 7) is now unnecessary. Consequential repeals will be-

- ◆ section 31(4) (an interpretation provision relating to *Part 3*)
- ◆ section 28(1)⁶² and Schedule 8 (which applied specific income tax provisions to EPT and NDC).

Finance Act 1944

3. The purposes of the Finance Act 1944 (“the 1944 Act”) included amending the existing legislation relating to EPT and to stamp duty.

4. *Part 5* of the 1944 Act (sections 32 to 34) relates solely to EPT. These provisions were concerned with the computation of the profits upon which EPT would be assessed. As indicated in the *Annex*, EPT has long been abolished with the result that *Part 5* is now unnecessary. A consequential repeal will be section 49(5) (an interpretation provision relating to *Part 5*).

⁶² The repeal of s 28(1) will permit s 28 as a whole to be repealed. The only other provision in s 28 (subs (2)) was repealed by Income Tax Act 1952, s 527, Sch 25.

Extent

5. The provisions proposed for repeal extended throughout the United Kingdom.

Consultation

6. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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07 September 2006

Finance Act 1945
(8 & 9 Geo.6 c.24)

The whole Act.

Finance Act 1945

1. The purposes of the Finance Act 1945 (“the 1945 Act”) included amending the existing legislation about customs duties, purchase tax, income tax and excess profits tax (“EPT”). The whole of the 1945 Act has been repealed, except the obsolete provisions relating to EPT. This note proposes the repeal of the 1945 Act as a whole.

2. *Section 1* extended the customs duties chargeable on hops and beer until 15 August 1949 and extended an excise drawback allowance in respect of beer until 15 November 1949. *Section 1* was repealed by Finance Act 1949 subject to a long spent saving relating to the drawback of duty.⁶³

3. *Section 2* related to purchase tax and was repealed by the Finance Act 1952.⁶⁴

4. *Sections 3 and 4* related, respectively, to income tax for the year 1945-46 and higher rates of income tax for the year 1944-45. Both sections were repealed by Income Tax Act 1952 subject to the saving provision that the repeal did not apply to income tax for the year 1951-52 or any earlier year of assessment.⁶⁵ The passage of time since 1945 means that this saving has long since become spent.

5. *Section 5* related to the computation of the profits upon which EPT would be assessed. As indicated in the *Annex*, EPT has long been abolished with the result that section 5 is now unnecessary.

6. *Section 6* related to the permanent annual charge for the National Debt and was repealed by the National Loans Act 1968.⁶⁶

⁶³ The 1949 Act, s 52(10), Sch 11, Pt 3.

⁶⁴ The 1952 Act, s 76(8), Sch 14, Pt 1.

⁶⁵ The 1952 Act, s 527, Sch 25, Pt 1.

⁶⁶ The 1968 Act, s 24(2), Sch 6, Pt 1.

7. There being no other unrepealed provisions (other than section 7: short title and construction) the whole of the 1945 Act may be repealed as being obsolete.

Extent

8. The provisions proposed for repeal extended throughout the United Kingdom.

Consultation

9. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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<i>Reference</i>	<i>Extent of repeal or revocation</i>
Finance (No 2) Act 1945 (9 & 10 Geo.6 c.13)	Parts 3 and 4. Section 51. Sections 58 and 59. Section 62(4). Schedules 5, 6 and 8.

Finance (No 2) Act 1945

1. The purposes of the Finance (No 2) Act 1945 (“the 1945 Act”) included amending the existing legislation relating to excess profits tax (“EPT”) and national defence contribution (“NDC”).

EPT/NDC

2. *Part 3* of the 1945 Act (sections 29 to 37 and Schedule 5) relates solely to EPT and NDC. These provisions, some of which have been repealed already,⁶⁷ were mainly concerned with the reliefs available in respect of EPT. As indicated in the *Annex*, both EPT and NDC have long been abolished with the result that *Part 3* (together with the ancillary Schedule 5) is now unnecessary.

EPT post-war refunds

3. *Part 4* of the 1945 Act (sections 38 to 50 and Schedule 6) provided for the post-war repayment of some EPT payments made during the 1939-45 war.

4. For most of the 1939-45 war, EPT was charged at the rate of 100%.⁶⁸ To compensate for this level of taxation, taxpayers became entitled to refunds of EPT.⁶⁹ These refunds were known as ‘post-war refunds’ and amounted to the difference between the amount of the tax if the rate had been 80% and the amount paid at 100%.

5. The arrangements for making these post-war refunds were set out at some length in *Part 4* and are now obsolete. Indeed many of the provisions have been partly

⁶⁷ For example, sections 35 to 37 were repealed wholly or in part by Finance Act 1965, s 97(5), Sch 22, Pt 5.

⁶⁸ The rate was 60% for the first and last years of the tax’s existence i.e. 1 April 1939 to 31 March 1940; 1 January 1946 to 31 December 1946.

⁶⁹ Finance Act 1941, s 28(1) (as amended by Finance Act 1942, s 37).

repealed already⁷⁰ including the elaborate conditions for repayment which included provisions whereby the refunds had to be ploughed back into the business rather than be paid out as profits.⁷¹ The whole of Part 4 has long been spent and may now be formally repealed (together with the ancillary Schedule 6).

EPT: double taxation

6. *Section 51* provided for the making of double taxation arrangements with overseas governments to provide relief from double taxation in relation to income tax, EPT or NDC. *Section 51* has already been repealed⁷² with the exception of subsection (3). Subsection (3) relates to the relationship between any such double taxation arrangement made under *section 51* and any Order in Council made under *section 30* of the Finance Act 1940 (which provided for relief in respect of EPT in His Majesty's dominions outside the UK).

7. The abolition of EPT has resulted in *section 51(3)* being long since spent. The remainder of *section 51* having being repealed already, the repeal of subsection (3) will permit the formal repeal of *section 51* as a whole. *Section 30* of the Finance Act 1940 is proposed for repeal in a separate repeal note.

EPT exceptional depreciation allowances

8. *Section 58* (and Schedule 8) modified enactments relating to the computation of profits for the purposes of income tax, EPT and NDC in relation to allowances for exceptional depreciation or buildings, plant or machinery. *Section 59* provided for the determination of questions as to the availability of exceptional depreciation allowances for particular assets.

9. Both *sections 58* and *59* (and Schedule 8) have been repealed by the Income Tax Act 1952 as they relate to *income tax*, subject to the saving provision that the repeal did not apply to income tax for the year 1951-52 or any earlier year of assessment.⁷³ The passage of time since 1945 means that this saving has long since become spent.

⁷⁰ The whole of Part 4 has been repealed so far as it relates to income tax: Income Tax Act 1952, s 527, Sch 25, Pt 1; ss 38 to 47, 50 repealed wholly or partly by Finance Act 1953, ss 32, 35(7), Sch 3, Pt 2.

⁷¹ Finance Act 1953, s 32.

⁷² Income Tax Act 1952, s 527, Sch 25, Pt 1.

⁷³ The 1952 Act, s 527, Sch 25, Pt 1.

10. Accordingly, sections 58 and 59 (and Schedule 8) remain in force only as regards EPT and NDC. The abolition of both taxes means that these provisions may now be repealed generally.

EPT: interpretation

11. Section 62(4) is an interpretation provision relating to Parts 3 to 6 so far as they relate to EPT. The repeal of Parts 3 to 6 will render section 62(4) unnecessary.

Extent

12. The provisions proposed for repeal extended throughout the United Kingdom.

Consultation

13. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

(32-195-104) LAW/005/006/06
07 September 2006

<i>Reference</i>	<i>Extent of repeal or revocation</i>
Finance Act 1946 (9 &10 Geo.6 c.64)	Part 4. Section 58. Section 67(5). Schedules 7 to 9.

Finance Act 1946

1. The purposes of the Finance Act 1946 (“the 1946 Act”) included amending the existing legislation about excess profits tax (‘EPT’) and national defence contribution (‘NDC’).

2. *Part 4* of the 1946 Act (*sections 36 to 45* and Schedules 7 to 9) is solely concerned with EPT and NDC. Most of *Part 4* relates to the abolition of EPT (*section 36*) and reliefs against payment of EPT (*sections 37 to 42*), whilst NDC is renamed as ‘the profits tax’ (*section 44*). As indicated in the *Annex*, both EPT and NDC have long been abolished with the result that *Part 4* (together with the ancillary Schedules 7 to 9) is now unnecessary.

3. *Section 58* specifies 31 December 1946 as the relevant date in connection with the making of exceptional depreciation allowances for the purposes of income tax, EPT and NDC. *Section 58* has already been repealed as it relates to income tax,⁷⁴ and the abolition of EPT and NDC means that *section 58* may now be repealed generally.

4. *Section 67(5)* is an interpretation provision relating to *Part 4* and (so far as it relates to EPT) *Part 8*. The repeal of *Part 4* and *section 58* (the only provision in *Part 8* relating to EPT) will render *section 67(5)* unnecessary.

Extent

5. The provisions proposed for repeal extended throughout the United Kingdom.

⁷⁴ Income Tax Act 1952, s 527, Sch 25, Pt 1.

Consultation

6. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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Reference

Extent of repeal or revocation

Finance Act 1947
(10 & 11 Geo.6 c.35)

Sections 63 and 64.
Section 74(5) and (8).

Finance Act 1947

1. The purposes of the Finance Act 1947 (“the 1947 Act”) included amending the existing legislation about excess profits tax (‘EPT’) and the profits tax.

2. *Sections 63 and 64* modified the operation of the EPT system in relation to the remuneration of directors (section 63) and joint and several liability for the tax (section 64).⁷⁵ As indicated in the *Annex*, the abolition of EPT means that sections 63 and 64 are now unnecessary and may be repealed. A consequential repeal will be *section 74(8)*, which is an interpretation provision relating to EPT.

3. *Section 74(5)* is a construction provision relating to references in the 1947 Act to the profits tax. These references were mostly in Part 4 of the 1947 Act. Part 4 (sections 30 to 48) was repealed in 1965⁷⁶ at the time when the profits tax was abolished: see *Annex*. Accordingly section 74(5) may now be repealed.

Extent

4. The provisions proposed for repeal extended throughout the United Kingdom.

Consultation

5. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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⁷⁵ As originally enacted, s 63 also related to profits tax. However a subsequent amendment repealed the reference to profits tax: Finance Act 1948, s 82, Sch 11, Pt 1.

⁷⁶ Finance Act 1965, s 97(5), Sch 22, Pt 5.

Finance (No 2) Act 1947
(11 & 12 Geo.6 c.9)

The whole Act.

Finance Act 1947

1. The purposes of the Finance (No 2) Act 1947 (“the 1947 Act”) included charging interest on unpaid profits tax and unpaid excess profits tax (‘EPT’). Most of the 1947 Act has already been repealed. The remaining provisions are either obsolete or unnecessary. This note proposes the repeal of the 1947 Act as a whole.

2. The following provisions of the 1947 Act have already been repealed in full-

- ◆ section 1 (and Schedule 1)⁷⁷
- ◆ sections 2 to 5 (and Schedules 2 to 4)⁷⁸
- ◆ section 6⁷⁹
- ◆ section 7⁸⁰
- ◆ Schedule 5⁸¹
- ◆ Schedule 6.⁸²

3. *Section 8*, as originally enacted, provided for the charging of interest on unpaid Schedule D income tax, surtax, profits tax or EPT. However, the references to Schedule D income tax and surtax were repealed by the Income Tax Act 1952 (subject to a saving provision⁸³) with the result that section 8 now applies only to profits tax and EPT. As indicated in the *Annex*, both profits tax and EPT have long been abolished with the result that section 8 is now unnecessary.⁸⁴

⁷⁷ Customs and Excise Act 1952, s 320, Sch 12, Pt 1.

⁷⁸ Finance Act 1948, s 82, Sch 11, Pt 1.

⁷⁹ Betting, Gaming and Lotteries Act 1963, s 57(1), Sch 8; Betting Duties Act 1963, s 6(1), Sch 3.

⁸⁰ Finance Act 1958, s 40(5), Sch 9, Pt 2.

⁸¹ Betting Duties Act 1963, s 6(1), Sch 3.

⁸² Statute Law Revision Act 1950.

⁸³ The 1952 Act, s 527, Sch 25, Pt 1. The saving provision ensured that the repeal did not apply to income tax for the year 1951-52 or any earlier year of assessment. The passage of time since 1947 means that this saving has long since become spent.

⁸⁴ Section 8 was subsequently extended by Finance Act 1952, s 62(1), a now spent provision which is proposed for repeal separately.

4. There being no other unrepealed provision in the 1947 Act (other than *section 9* (short title, construction, extent and repeal)) the whole of the 1947 Act may now be repealed as being obsolete.

Extent

5. The provisions proposed for repeal extended throughout the United Kingdom.

Consultation

6. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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Finance Act 1948
(11 & 12 Geo.6 c.49)

The whole Act.

Finance Act 1948

1. The purposes of the Finance Act 1948 (“the 1948 Act”) included imposing a one-off tax called ‘the special contribution’. The 1948 Act also amended legislation relating to existing taxes. Much of the 1948 Act has already been repealed. The remaining provisions are now either obsolete or otherwise unnecessary.

2. *Part 1* of the 1948 Act (sections 1 to 19 and Schedules 1 to 7) related to customs and excise provisions. The whole of *Part 1* has been repealed by a variety of repealing enactments, the last of which was in 1963.⁸⁵ The repeal of section 2 (duties on beer) was subject to a long spent saving relating to the drawback of duty.⁸⁶

3. *Part 2* of the 1948 Act (sections 20 to 24 and Schedule 8) related to purchase tax and was repealed by the Purchase Tax Act 1963 (subject to a saving which is now spent).⁸⁷

4. *Parts 3 and 4* of the 1948 Act (sections 25 to 46 and Schedule 9) related to income tax including the rate of charge and expenses allowances. Both *Parts* have been repealed by the Income Tax Act 1952 subject to saving provisions that are now spent because of the passage of time since the repeal.⁸⁸

5. *Part 5* of the 1948 Act (sections 47 to 68 and Schedule 10) provided for the special contribution. The liability for this one off tax was measured by reference to income tax (excluding tax on earned income) for the year ending 5 April 1948. As indicated in the *Annex*, no assessment to the tax could be made after 18 July 1961. Accordingly, *Part 5* (together with the ancillary Schedule 10) is now unnecessary and may be repealed. A consequential repeal is section 49 of the Finance Act 1949 (which

⁸⁵ Betting Duties Act 1963, s 6(1), Sch 3 (which also repealed sections 14 and 15).

⁸⁶ Finance Act 1949, s 52(10), Sch 11, Pt 3.

⁸⁷ The 1963 Act, ss 41(1)(2), Sch 4, Pt 1, Sch 5, para 7. The saving related to the operation of s 24 (purchase etc affected by changes in tax).

⁸⁸ The 1952 Act, ss 349(1), 527, 530(1)(a), 531, Sch 25, Pt 1.

extended the tax to Northern Ireland). This consequential is included in the separate repeal note relating to the Finance Act 1949.

6. *Part 6* of the 1948 Act (sections 69 to 71) relates to the profits tax. Sections 69 to 70 have already been repealed.⁸⁹ Section 71 (which relates to directors' remuneration) remains unrepealed.⁹⁰ As indicated in the *Annex*, however, the profits tax has long been abolished with the result that section 71 is now unnecessary.

7. *Part 7* of the 1948 Act (sections 72 to 75) related to stamp duty. Sections 72, 73 and 75 have already been repealed outright.⁹¹ Section 74 (which provides exemption from stamp duty in connection with certain nationalisation schemes) has also been repealed.⁹² This repeal, however, remains prospective and will take effect only when 'the abolition day' is appointed by order made under section 111(1) of the Finance Act 1990. The order specifying the abolition day was to have coincided with the start of paperless trading under the Stock Exchange's planned TAURUS system. Since, however, this system was abandoned in 1993, it is not clear whether the repeal of section 74 will ever take effect pursuant to the Finance Act 1990.

8. Section 74 provides as follows-

74 Exemption from stamp duty in connection with certain nationalisation schemes

If, by any scheme under Part IV of the Transport Act 1947, or by or under any Act passed after the beginning of the present Session which embodies any scheme for the carrying on of any industry or part of an industry, or of any undertaking, under national ownership or control, provision is made for the transfer of the undertaking of any body corporate, and for the application to any shares, stock, debentures, debenture stock or other securities of that body corporate of provisions appearing to the Treasury to correspond to the provisions of Part II of the Fifth Schedule to the Transport Act 1947, the Treasury may direct, as respects all or any of the shares, stock, debentures, debenture stock or other securities, that, as from the date of the transfer of the undertaking, transfers thereof shall be exempt from all stamp duties.

9. **HM Treasury and HM Revenue and Customs are asked to consider whether section 74 continues to serve any useful purpose. The references in it to the**

⁸⁹ Finance Act 1958, ss 25(2), 40(5), Sch 9, Pt 2.

⁹⁰ Except for text repealed in subsection (2) by Finance Act 1958, s 40(5), Sch 9, Pt 2.

⁹¹ S 72 by Finance Act 1956, ss 38(7), 44(9), Sch 5, Pt 2; s 73 by Finance Act 1973, s 59(7), Sch 22, Pt 5; and s 75 by Statute Law (Repeals) Act 1976, s 1, Sch 1, Pt 18.

⁹² Finance Act 1990, s 132, Sch 19, Pt 6.

Transport Act 1947 are now obsolete, the Act itself having long ago been repealed.⁹³

10. *Part 8* of the 1948 Act (sections 76 to 82 and Schedule 11) relates to miscellaneous matters. The only unrepealed substantive provision is section 78 (extension of time in relation to relief from excess profits tax for terminal expenses) which amended section 37 of the Finance Act 1946. Section 78 accordingly relates to excess profits tax which, as indicated in the *Annex*, has long been abolished. Section 78 may therefore be repealed as unnecessary. Section 37 of the Finance Act 1946 is proposed for repeal in a separate note.

11. The only unrepealed provision in *Part 8* is section 82 (short title, construction, extent and repeals). This, together with the repeals Schedule 11, is ancillary to the 1948 Act as a whole and will be unnecessary if the rest of the 1948 Act is repealed.

Conclusion

12. Subject to the query raised above about section 74, the whole of the 1948 Act may now be repealed as being unnecessary.

Extent

13. The provisions proposed for repeal extended throughout the United Kingdom.

Consultation

14. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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⁹³ The final repeal was by Statute Law (Repeals) Act 1974, s 1, Sch, Pt 7.

<i>Reference</i>	<i>Extent of repeal or revocation</i>
Finance Act 1949 (12, 13 & 14 Geo.6 c.47)	Section 49. Section 51. In section 52, subsections (2) and (7).

Finance Act 1949

1. This note proposes the repeal of references to obsolete taxes contained in the Finance Act 1949 (“the 1949 Act”) including ‘the special contribution’.

The special contribution

2. The special contribution was a one-off tax imposed by sections 47 to 68 of, and Schedule 10 to, the Finance Act 1948. The liability for the tax was measured by reference to income tax (other than earned income) for the year ended 5 April 1948. The special contribution was payable by individuals whose total income exceeded £2000 and whose aggregate investment income exceeded £250. The tax was payable, subject to exceptions, on or before 1 January 1949.⁹⁴ In the absence of fraud or wilful default, no assessment to the tax could be made after 18 July 1961.⁹⁵

3. The provisions in the Finance Act 1948 relating to the special contribution have long ceased to serve any useful purpose and their repeal is recommended in a separate note. A consequential repeal is *section 49* of the 1949 Act (which extended the special contribution regime to Northern Ireland).

Profits tax, excess profits tax and the special contribution

4. The obsolete nature of profits tax and excess profits tax (as well as the special contribution) is indicated in the *Annex*. All three appear in *section 51* of the 1949 Act (settling of appeals etc by agreement).

5. *Section 51(1)* as amended⁹⁶ provided that-

(a) where a person had given notice of appeal to the General Commissioners, the Special Commissioners or the Board of Referees

⁹⁴ The 1948 Act, s 47(6).

⁹⁵ Finance Act 1961, s 32(1)(2) (which came into force on 19 July 1961).

⁹⁶ The taxes originally covered by section 51(1) had extended to income tax and surtax. But reference to these two taxes were repealed by Income Tax Act 1952, s 527, Sch 25, Pt 1.

against an assessment to, or a decision in respect of, *profits tax, excess profits tax or the special contribution*; and

- (b) before the appeal was determined an agreement was reached on the issue between the appellant and the surveyor or other proper officer of the Crown, the issue should be treated as if determined on appeal by the Commissioners or the Board.

6. *Section 51(2)* provided for cases of claims for relief from excess profits tax. The remaining subsections of section 51 are ancillary to subsections (1) and (2).

7. The scope of subsection (1) was subsequently extended to relief and appeals in respect of excess profits levy.⁹⁷

8. *Section 52* (short title, construction, extent and repeals) contains a number of spent provisions. *Subsection (2)* provides for the construction of expressions used in Part 1 of the 1949 Act (ie sections 1 to 17). Since the whole of Part 1 has now been repealed,⁹⁸ subsection (2) serves no useful purpose. *Subsection (7)* provides for the construction of Part 7 of the 1949 Act. Part 7 comprised sections 49 to 51, and since all of these are spent or repealed,⁹⁹ subsection (7) is also no longer needed.

Extent

9. The provisions in the 1949 Act proposed for repeal extended throughout the United Kingdom.

Consultation

10. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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⁹⁷ Finance Act 1952, ss 62(2), 63(1)(2). These provisions are proposed for repeal in a separate note.

⁹⁸ The final repeal in Part 1 was of section 15, repealed by Statute Law (Repeals) Act 1978, s 1(1), Sch 1, Pt 9.

⁹⁹ Sections 49 and 51 are already proposed for repeal; section 50 was repealed by Income Tax Act 1952, s 527, Sch 25, Pt 1.

<i>Reference</i>	<i>Extent of repeal or revocation</i>
Finance Act 1950 (14 Geo.6 c.15)	Sections 39 to 41.
Income Tax (Trading and Other Income) Act 2005 (c.5)	In Schedule 1, in Part 2, paragraphs 353 and 354.

Finance Act 1950

1. The purposes of the Finance Act 1950 (“the 1950 Act”) included authorising the remission of interest paid on certain unpaid taxes.

2. *Sections 39 and 40* contain provisions permitting the revising, for tax purposes, of the profits or losses arising from a trade or business during the period from 1 April 1939 to 31 December 1946. The purpose of the provisions was to disallow any deduction originally allowed on account of debts or assets having to be written off as a result of the 1939-45 war. Typically this would arise where the debt was owed by an individual resident, or business operating, in enemy territory or where the asset was situated in enemy territory. The disallowance would arise in cases where it had subsequently become possible to get repayment of a debt or recovery of an asset. Both sections 39 and 40 contain references to profits tax and excess profits tax (‘EPT’). The repeal of section 40 would permit the consequential repeal of paragraphs 353 and 354 of Schedule 1 to the Income Tax (Trading and Other Income) Act 2005 (which amended section 40(3)).

3. **HM Revenue and Customs are asked to consider whether sections 39 and 40 continue to serve a useful purpose. If they are still needed, do the references to profits tax and EPT serve a useful purpose? See separate note proposing the repeal of the Finance Act 1961.**

4. *Section 41* provided that interest on certain unpaid taxes should cease to accrue or, if already actually paid, be repayable if the tax was in respect of profits or income arising in a country outside the UK and, as a result of action by the government of that country, it was impossible for the profits or income to be remitted to the UK.

5. Section 41 applied only in respect of taxes carrying interest under section 8 of the Finance (No 2) Act 1947. Section 8, as originally enacted, provided for the charging of interest on unpaid Schedule D income tax, surtax, profits tax or EPT. The references, however, to Schedule D income tax and surtax were repealed by the Income Tax Act 1952 (subject to a saving provision)¹⁰⁰ with the result that section 41 applied thereafter only to profits tax and EPT. As indicated in the *Annex*, both profits tax and EPT have long been abolished with the result that section 8 became unnecessary. The repeal of section 8 is proposed in a separate note. It follows that section 41 is equally unnecessary and may also now be repealed.

Extent

6. The provisions proposed for repeal extended throughout the United Kingdom.

Consultation

7. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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¹⁰⁰ The 1952 Act, s 527, Sch 25, Pt 1. The saving provision ensured that the repeal did not apply to income tax for the year 1951-52 or any earlier year of assessment. The passage of time since 1952 means that this saving has long since become spent.

<i>Reference</i>	<i>Extent of repeal or revocation</i>
Finance Act 1951 (14 & 15 Geo.6 c.43)	Sections 39 and 40. Section 44(2) and (4).

Finance Act 1951

1. The purposes of the Finance Act 1951 (“the 1951 Act”) included amending the existing legislation about excess profits tax (“EPT”) and the profits tax.

2. *Section 39* amended section 78 of the Finance Act 1948 so as to extend the time allowed for relief from EPT. *Section 40* amended Schedule 8 to the Finance Act 1943 so as to extend the time allowed for commencing proceedings for penalties in connection with EPT and the profits tax.

3. As indicated in the *Annex*, EPT and the profits tax have long been abolished with the result that sections 39 and 40 are now unnecessary.¹⁰¹

4. Section 44 provides for the short title, construction, extent and repeals. Both subsections (2) and (4) are now spent. *Subsection (2)* provided for the construction of expressions used in Part 1 (sections 1 to 15) of the 1951 Act. The whole of Part 1, however, has already been repealed. *Subsection (4)* provides for the construction of references to the profits tax in Parts 3 (sections 28 to 32) and 5 (sections 36 to 44) of the 1951 Act. The whole of Part 3 and the relevant provisions in Part 5 (sections 36 to 40) have either been repealed already¹⁰² or are proposed for repeal above.

Extent

5. The provisions proposed for repeal extended throughout the United Kingdom.

¹⁰¹ The repeals of Finance Act 1948, s 78 and Finance Act 1943, Sch 8 are being proposed separately.

¹⁰² Part 3 was repealed by Finance Act 1965, s 97(5), Sch 22, Pt 5; ss 36 to 38 were repealed by Income Tax 1952, s 527, Sch 25.

Consultation

6. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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<i>Reference</i>	<i>Extent of repeal or revocation</i>
Finance Act 1952 (15 & 16 Geo.6 & 1 Eliz.2 c.33)	Part 5. Section 69. Section 76(2) and (5). Schedules 8 to 12.

Finance Act 1952

1. The purposes of the Finance Act 1952 (“the 1952 Act”) included imposing a new tax known as ‘the excess profits levy’ (“the levy”).

2. The levy was imposed by *Part 5* (sections 36 to 66) of, and Schedules 8 to 12 to, the 1952 Act. The levy was terminated with effect from 31 December 1953¹⁰³ and no assessment to the levy could be made (in the absence of fraud or wilful default) after 18 July 1961.¹⁰⁴ More information about the levy can be found in the *Annex*.

3. The abolition of the levy means that Part 5 of the 1952 Act (including the ancillary Schedules 8 to 12) is now unnecessary and may be repealed. A consequential repeal will be *section 69* (which applied to the levy a number of anti-avoidance provisions relating to other taxes).

4. *Section 76* of the 1952 Act provides for the short title, construction, extent and repeals. Subsection (2) provides for the construction of Part 1 of the Act. The whole of Part 1, however, has already been repealed, rendering subsection (2) spent. Equally spent is subsection (5) which provides for the construction of references to the profits tax in Parts 4 and 6 of the 1952 Act. The whole of Part 4 (sections 33 to 35) and the relevant provisions in Part 6 (sections 67 to 70) have either been repealed already¹⁰⁵ or are proposed for repeal above.

Extent

5. The provisions proposed for repeal extended throughout the United Kingdom.

¹⁰³ Finance Act 1953, s 27(1).

¹⁰⁴ Finance Act 1961, s 32(1) to (3).

¹⁰⁵ Part 4 was repealed by Finance Act 1965, s 97(5), Sch 22, Pt 5; ss 67 and 70 were repealed by Income and Corporation Taxes Act 1970, ss 538(1), 539(1), Sch 16; s 68 was repealed by Finance Act 1965, s 97(5), Sch 22, Pt 4.

Consultation

6. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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<i>Reference</i>	<i>Extent of repeal or revocation</i>
Finance Act 1953 (1 & 2 Eliz.2 c.34)	Section 32. Section 35(4).

Finance Act 1953

1. The purposes of the Finance Act 1953 (“the 1953 Act”) included making provision in relation to post-war refunds of excess profits tax (‘EPT’). This provision is contained in *section 32* of the 1953 Act.

2. For most of the 1939-45 war, EPT was charged at a rate of 100%. To compensate for this level of taxation, taxpayers became entitled to refunds of EPT which were known as ‘post-war refunds’. The arrangements for making these post-war refunds were set out in Part 4 of the Finance (No 2) Act 1945, which is proposed for repeal in a separate note. As indicated in the *Annex*, EPT has long been abolished with the result that *section 32* (which amended Part 4 of the Finance (No 2) Act 1945) is now unnecessary.

3. *Section 35(4)* is an interpretation provision. The only unrepealed part¹⁰⁶ is paragraph (c) which interpreted Part 3 (sections 12 to 29) of the 1953 Act so far as it related to the *excess profits levy*. Since Part 3 has been repealed,¹⁰⁷ and the excess profits levy ceased to be assessable after 18 July 1961,¹⁰⁸ *section 35(4)* is now spent.

Extent

4. The provisions proposed for repeal extended throughout the United Kingdom.

Consultation

5. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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¹⁰⁶ The remainder was repealed by Income and Corporation Taxes Act 1970, s 538(1), Sch 16.

¹⁰⁷ Income and Corporation Taxes Act 1970, s 538(1), Sch 16.

¹⁰⁸ Finance Act 1961, s 32(1) to (3).

<i>Reference</i>	<i>Extent of repeal or revocation</i>
Finance Act 1958 (6 & 7 Eliz.2 c.56)	Section 35. Section 40(2)(b), (c) and (d).
Finance Act 1960 (8 & 9 Eliz.2 c.44)	Section 67.
Finance Act 1961 (9 & 10 Eliz.2 c.36)	The whole Act.
Finance Act 1962 (c.44)	Section 34(5).
Finance Act 1963 (c.25)	Section 65(3).

1. This note identifies for repeal a number of miscellaneous obsolete provisions contained in the Finance Acts 1958, 1960, 1961, 1962 and 1963.

Finance Act 1958

2. *Section 35* of the Finance Act 1958 (“the 1958 Act”) provided for miscellaneous amendments relating to stamp duty legislation. The whole of the section has been repealed¹⁰⁹ other than subsection (6) which provided for the section to come into force on 1 August 1958. The repeal of the rest of section 35 means that subsection (6) is unnecessary with the result that the whole of this section may now be formally repealed.

3. *Section 40(2)* provided for the construction of various parts of the 1958 Act. Section 40(2)(b), (c) and (d) provided for the construction, respectively, of Parts 2, 3 and

4. Since all these Parts have now been repealed,¹¹⁰ section 40(2)(b), (c) and (d) is now spent.

Finance Act 1960

4. The purposes of the Finance Act 1960 (“the 1960 Act”) included increasing the rate of the profits tax.

¹⁰⁹ Subsections (1) to (3) were repealed by Finance Act 1971, s 69, Sch 14, Pt 6; subsection (4) was repealed by Water Act 1989, s 190, Sch 27, Pt 1 and Finance Act 1974, s 57, Sch 14, Pt 6; subsection (5) was repealed by Water Act 1989, s 190, Sch 27, Pt 1.

¹¹⁰ Part 2 was repealed by several enactments the last of which (repealing s 6) was the Alcoholic Liquor Duties Act 1979, s 92(2), Sch 4, Pt 1; Part 3 was repealed by Income and Corporation Taxes Act 1970, ss 538(1), s 539(1), Sch 16; Part 4 was repealed by Finance Act 1965, s 97(5), Sch 22, Pt 5.

5. *Section 67* increased the rate of the profits tax from 10% to 12.5% with effect from 1 April 1960. As indicated in the *Annex*, the profits tax has long been abolished with the result that section 67 is now unnecessary.

Finance Act 1961

6. The purposes of the Finance Act 1961 (“the 1961 Act”) included increasing the rate of the profits tax and bringing an end to assessments in respect of excess profits tax (‘EPT’), excess profits levy (‘the levy’) and the special contribution.

7. The whole of the 1961 Act has been repealed by successive Finance and other Acts with the exception of sections 31 and 32.¹¹¹

8. *Section 31* increased the rate of the profits tax from 12.5% to 15% with effect from 1 April 1961. As indicated in the *Annex*, the profits tax has long been abolished with the result that section 31 is now unnecessary.

9. *Section 32* provided that no assessment to EPT, the levy or the special contribution could be made after the passing of the 1961 Act (19 July 1961). This terminal date was subject only to cases of fraud or wilful default¹¹² or a case where EPT arose by virtue of *section 39 of the Finance Act 1950* (enemy debts etc written off during the 1939-45 war: see separate note relating to the repeal of section 39).¹¹³ The passage of time since these now obsolete taxes could last have been invoked means that section 32 is now unnecessary.

10. There being no other unrepealed provisions (other than the ancillary section 37: short title, interpretation, construction, extent and repeal), the whole of the 1961 Act may now be repealed formally.

¹¹¹ The most recent repealing enactment was Finance Act 1986, s 114, Sch 23, Pt 9 (which repealed s 34).

¹¹² Section 32(2).

¹¹³ Section 32(3)(a). S 32(3)(b) provided for later assessments in respect of the levy in cases to which Finance Act 1953, s 21(2) applied. However, the repeal of Finance Act 1953, s 21(2) (by Income and Corporation Taxes Act 1970, s 538(1), Sch 16) has rendered s 32(3)(b) spent. Equally spent are subsections (4) and (5) of section 32 (transitional provisions).

Finance Act 1962

11. Section 34(5) of the Finance Act 1962 (“the 1962 Act”) extended the 1962 Act, so far as it amended the Sugar Act 1956, to the Isle of Man. The provisions amending the Sugar Act 1956 were section 3(6) and Part 2 of Schedule 5. Since, however, both these provisions have been repealed by the European Communities Act 1972,¹¹⁴ section 34(5) is unnecessary.

Finance Act 1963

12. Section 65(3) of the Finance Act 1963 (“the 1963 Act”) provided as follows-

No stamp duty shall be chargeable in respect of any form of application for legal aid under the Legal Aid and Advice Acts 1949 and 1960 or the Legal Aid (Scotland) Acts 1949 and 1960, or in respect of any form relating to the offer and acceptance of a certificate pursuant to an application for legal aid under those Acts.

13. Not only have all four Acts referred to been repealed¹¹⁵ but the two duties to which legal aid documents were previously chargeable (agreement duty and bond and covenant duty) have long been abolished.¹¹⁶ Accordingly section 65(3) is now obsolete and may be repealed.

Extent

14. The provisions proposed for repeal extend throughout the United Kingdom.

Consultation

15. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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¹¹⁴ The 1972 Act, s 4, Sch 3, Pt 2.

¹¹⁵ The Legal Aid and Advice Acts 1949 and 1960 were in fact the Legal Aid and Advice Act 1949 and the Legal Aid Act 1960 and were repealed by Legal Aid Act 1974, s 42, Sch 5, Pt 1. The Legal Aid (Scotland) Acts 1949 and 1960 were in fact the Legal Aid and Solicitors (Scotland) Act 1949 (repealed by Statute Law (Repeals) Act 1989, s 1(1), Sch 1, Pt 1) and the Legal Aid Act 1960 (repealed by Legal Aid Act 1974, s 42, Sch 5 Pt 1).

¹¹⁶ Agreement duty was abolished by Finance Act 1970, Sch 7, para 1; bond and covenant duty was abolished by Finance Act 1971, s 64(1).

 Finance Act 1964 (c.49)

The whole Act.

Finance Act 1964

1. The purposes of the Finance Act 1964 (“the 1964 Act”) included the charging of duties on tobacco and the exempting of service contracts from stamp duty.

2. The 1964 Act has been extensively repealed by successive Finance and other Acts. This note identifies as unnecessary the provisions that have yet to be repealed in full.

Section 4

3. *Section 4* (together with the ancillary *Schedule 5*) imposed customs duties on tobacco imported into the UK and excise duties on tobacco grown in the UK. The Finance Act 1977 (“the 1977 Act”), however, replaced such duties with tobacco products duty. Section 3(1) of the 1977 Act provided that, as from 1 January 1978, no duties of customs or excise should be charged under section 4 of the 1964 Act.

4. Section 4 (and Schedule 5) was duly repealed by the 1977 Act on 1 January 1978 but subject to the saving provision that this repeal did not “affect drawback by virtue of events occurring on or before 30 June 1978.”¹¹⁷ ‘Drawback’ referred to repayments, by the Commissioners of Customs and Excise, of duty already paid in respect of tobacco. The saving provision was intended to preserve the drawback arrangement provided for in section 4(2) in the circumstances outlined in section 3(3) of the 1977 Act (repayment of duty where tobacco-manufactured products have become unmerchantable through natural causes). In other words, the Commissioners were empowered, despite the repeal of section 4, to allow repayment of duty if they were satisfied that, by virtue of any event occurring on or before 30 June 1978, any tobacco on which duty under section 4 had been paid, had been used in the manufacture of products which had become unmerchantable through natural causes.

¹¹⁷ The 1977 Act, s 59(5), Sch 9, Pt 2 (and provision at end of Part 2).

5. The passage of time since June 1978 means that this saving provision will never be used again. Accordingly, section 4 (and Schedule 5) can be repealed outright without the saving.

Section 23

6. *Section 23* of the 1964 Act provides that “no stamp duty shall be chargeable on, or on any memorandum of, a contract of service in any office or employment or a contract varying or terminating such a contract”. The section also provides for repayment of any stamp duty charged before the section took effect on 6 July 1964 (the claim for repayment to be made within 2 years of the payment).

7. The purpose of section 23 was to exempt from stamp duty the written particulars of employment which employers were required to give their employees by section 4 of the Contracts of Employment Act 1964. At that time, Schedule 1 to the Stamp Act 1891 contained a heading “Agreement or Memorandum of an Agreement” which would have triggered a stamp duty charge on employment contracts/memoranda. Since, however, this heading in the Stamp Act 1891 has been repealed,¹¹⁸ section 23 is now unnecessary and may be repealed.

Section 26(6)

8. *Section 26(6)* extended the 1964 Act, so far as it amended the Sugar Act 1956, to the Isle of Man. The provision amending the Sugar Act 1956 was section 22. Since, however, section 22 has been repealed by the European Communities Act 1972,¹¹⁹ section 26(6) is now unnecessary.

Conclusion

9. The only remaining unrepealed provisions in the 1964 Act are *section 26(1)* (short title), *section 26(4) and (5)* (construction) and *section 26(7)/Schedule 9* (repeals).¹²⁰ These provisions will serve no useful purpose once the other provisions

¹¹⁸ Finance Act 1970, s 36(8), Sch 8, Pt 4. The heading was repealed in consequence of the abolition of the duty specified in it by para 1(2)(a) of Sch 7 to the 1970 Act.

¹¹⁹ The 1972 Act, s 4, Sch 3, Pt 2.

¹²⁰ The paragraphs at the end of Schedule 9 (repeals) are all transitional savings provisions to preserve the effect of particular enactments for particular purposes. These paragraphs relate to taxation of public revenue dividends before 1965 (*para 1*), drawback and other reliefs from duty operating before 1965 (*para 2*), charging of excise duty on hydrocarbon oils before 1965 (*para 3*), and regulations about taxation of heavy

identified for repeal have been repealed. Accordingly the 1964 Act may now be repealed in whole.

Extent

10. The provisions proposed for repeal extended throughout the United Kingdom.

Consultation

11. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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oils under Customs and Excise Act 1952, s 202 and Finance Act 1960, s 9 (*para 4*). The savings are now all spent.

<i>Reference</i>	<i>Extent of repeal or revocation</i>
Finance Act 1966 (c.18)	Section 27. Schedule 6.
Finance Act 1968 (c.44)	Part 4. Section 53. Section 61(7). Schedules 15 and 16.
Finance Act 1973 (c.51)	Schedule 16A.
Finance Act 1980 (c.48)	Section 3. Section 7. Section 61. Sections 103 and 104.
Finance Act 1982 (c.39)	Section 1(3). Section 3. Section 135(3)(d). Section 137. Sections 139 to 142. Section 150. Schedule 1. Schedule 19.
Finance Act 1983 (c.28)	Section 1(3). Section 3. Section 35. Schedule 1. Schedule 7.
Advance Petroleum Revenue Tax Act 1986 (c.68)	The whole Act.
Commissioners for Revenue and Customs Act 2005 (c.11)	Section 54(4)(d).

1. This note identifies for repeal a number of miscellaneous obsolete provisions contained in post-1965 tax Acts.

Finance Act 1966

2. *Schedule 6* to the Finance Act 1966 (“the 1966 Act”) (administration of Corporation Tax Acts) has been repealed¹²¹ except for paragraph 14. Paragraph 14 amended the Companies Act 1948, section 319(1)(a)(ii) and the Companies Act (Northern Ireland) 1960, section 287(1)(a)(ii). Since, however, both these amended Acts have now been repealed,¹²² paragraph 14 has become unnecessary. The repeal of paragraph 14 will permit the formal repeal of *Schedule 6*.

3. The repeal of *Schedule 6* will permit the consequential repeal of *section 27* of the 1966 Act. *Section 27* introduced *Schedule 5* (amendment of Corporation Tax Acts) as well as *Schedule 6*. Given that the whole of *Schedule 5* has since been repealed,¹²³ *section 27* has become unnecessary.

Finance Act 1968

4. *Part 4* (sections 41 to 50 and the ancillary Schedules 15 and 16) of the Finance Act 1968 (“the 1968 Act”) provided for the special charge (“the charge”), a one-off tax, for which liability was measured by a person’s investment income for the year ended 5 April 1968. The charge was levied on all individuals whose aggregate investment income for that year exceeded their surtax personal allowances plus £3000. Schedules 15 and 16 contained detailed provisions for calculating a person’s income arising from, respectively, trusts and close companies. As indicated in the *Annex*, the charge could not be imposed in respect of any income arising after 5 April 1968. Accordingly *Part 4* of the 1968 Act (together with Schedules 15 and 16) is now unnecessary and may be repealed.

5. *Section 53* amended section 495(2) of the Income Tax Act 1962, and section 8(2) of the Finance (No 2) Act 1947, which related to the remission of interest on overdue tax. Since, however, the whole of the Income Tax Act 1952 has already been

¹²¹ Income and Corporation Taxes Act 1970, s 538(1), Sch 16; Finance Act 1994, s 258, Sch 26, Pt 5 (22).

¹²² Companies Consolidation (Consequential Provisions) Act 1985, s 29, Sch 1; Companies Consolidation (Consequential Provisions) (Northern Ireland) Order 1986 (1986/1035 NI 9), art 24, Sch 2.

¹²³ Income and Corporation Taxes Act 1970, ss 538(1), 539(1), Sch 16; Finance Act 1994, s 258, Sch 26, Pt 5.

repealed¹²⁴ and the repeal of the whole of the Finance (No 2) Act 1947 is proposed in a separate note, section 53 is now unnecessary and may itself now be repealed.

6. *Section 61(7)* extended the 1968 Act, so far as it related to the Sugar Act 1956, to the Isle of Man. The provision in the 1958 Act relating to the Sugar Act 1956 was section 58. Since, however, section 58 has already been repealed by the European Communities Act 1972,¹²⁵ section 61(7) is unnecessary.

Finance Act 1973

7. *Schedule 16A* to the Finance Act 1973 was inserted by the Finance Act 1988.¹²⁶ This Schedule (underwriters: assessment and collection of tax) had effect only for tax years 1986-87 and 1987-88.¹²⁷ Accordingly Schedule 16A has ceased to have effect and may now be repealed.

Finance Act 1980

8. *Section 3* of the Finance Act 1980 (“the 1980 Act”) made a number of amendments to the Hydrocarbon Oil Duties Act 1979 which have since been superseded by later amendments, thereby rendering section 3 unnecessary.¹²⁸

9. *Section 7* of the 1980 Act related to gaming machine licence duty. The substantive provisions in section 7 have already been repealed.¹²⁹ The only remaining provision is the commencement provision in subsection (3) which is now unnecessary. Accordingly section 7 may be formally repealed in its entirety.

¹²⁴ Income and Corporation Taxes Act 1970, s 538(1), Sch 16 (which also repealed s 53(2) of the 1968 Act so far as it related to Parts 2 and 4 of that Act).

¹²⁵ The 1972 Act, s 4, Sch 3, Pt 2.

¹²⁶ The 1988 Act, s 58(4)(b), (5), Sch 5.

¹²⁷ The 1988 Act, s 58(5).

¹²⁸ The amendment by s 3(1) to the 1979 Act, s 6(1) has been superseded by Finance Act 1981, s 4(1); the amendment by s 3(2) has been superseded by Finance Act 2003, s 5(1)(b); the amendment by s 3(3) has been superseded by Finance Act 2003, s 5(2); the amendments by s 3(4) to the text in sections 7 and 8 have been repealed by Finance Act 1993, ss 11, 213, Sch 23, Pt 1(4), Finance Act 1995, s 6(2), (5); the amendment by s 3(4) to the Excise Duties (Gas as Road Fuel) Order 1972 lapsed along with the rest of that Order when its enabling authority (Finance Act 1971, s 3) was repealed by Hydrocarbon Oil Duties Act 1979, s 28(2), Sch 7; Excise Duties (Surcharges or Rebates) Act 1979, s 4(3), Sch 2; the amendment made by s 3(4) to the text in Finance Act 1965, s 92(2) was repealed by Transport Act 2000, ss 154(6), 274, Sch 31, Pt 2 (England and Wales), Transport (Scotland) Act 2001, s 38(6) (Scotland); the amendment by s 3(4) to the text in Finance Act (Northern Ireland) 1966, s 14(2) was repealed by Finance Act 1981, s.4.

¹²⁹ Subsection (1) repealed by Betting and Gaming Duties Act 1981, s 34(2), Sch 7; subsection (2) repealed by Finance Act 1985, s 98(6), Sch 27, Pt 3.

10. *Section 61* (dates for payment of tax) is now either already repealed or unnecessary. Subsections (1) and (2) have been repealed.¹³⁰ Subsection (3) amended the text in section 86(4) of the Taxes Management Act 1970 (“the 1970 Act”). Since, however, the whole of section 86 has been substituted by the Finance Act 1995,¹³¹ subsection (3) is now unnecessary. Subsection (4) amended the text in section 88(5) of the 1970 Act and in Schedule 16 to the Finance Act 1972. Subsection (4) has been repealed so far as it related to the amendment to the 1970 Act,¹³² and is spent so far as it related to the amendment to the Finance Act 1972 (by virtue of the whole of Schedule 16 to that Act having been repealed).¹³³ Subsection (5) provides for the operation of section 61 as a whole and becomes unnecessary once the rest of that section has been repealed. Accordingly the whole of section 61 may now be repealed.

11. *Section 103* repealed sections 2 and 3 of the Finance (Stamp Duty) Act (Northern Ireland) 1926 and became spent once that repeal had taken effect at Royal Assent on 1 August 1980.

12. *Section 104* provided for an increase in petroleum revenue tax by amending the text of section 1(2) of the Oil Taxation Act 1975. Since, however, that amendment has itself been substituted,¹³⁴ section 104 is now unnecessary.

Finance Act 1982

13. *Section 1* of the Finance Act 1982 (“the 1982 Act”) amended the duties on spirits, beer, wine, made-wine and cider. *Subsection (3)* provided for new rates of excise duty on wine by substituting Schedule 1 to the 1982 Act for the existing Schedule 1 to the Alcoholic Liquor Duties Act 1979. This substitution has since been superseded by further amendments to Schedule 1 to that 1979 Act.¹³⁵ Accordingly section 1(3) of, and Schedule 1 to, the 1982 Act are now unnecessary.

¹³⁰ Subsection (1) repealed by Income and Corporation Taxes Act 1988, s 844(4), Sch 31; subsection (2) repealed by Taxation of Chargeable Gains Act 1992, s 290(3), Sch 12.

¹³¹ The 1995 Act, ss 103(7), 110.

¹³² Finance Act 1996, s 205, Sch 41, Pt 5(8).

¹³³ Income and Corporation Taxes Act 1988, s 844(4), Sch 31.

¹³⁴ There has been more than one substitution to the relevant text: the latest is provided by Finance Act 1993, s 186(1).

¹³⁵ See for example Finance Act 1983, s 1(3), Sch 1. Schedule 1 to the Alcoholic Liquor Duties Act 1979 has been amended by subsequent Finance Acts.

14. *Subsection (1) of section 3* of the 1982 Act (hydrocarbon oils, etc) amended the rates of excise duty on hydrocarbon oil by amending text in section 6(1) of the Hydrocarbon Oil Duties Act 1979. These amendments have since been superseded by further amendments to section 6(1).¹³⁶ Accordingly subsection (1) of section 3 is now unnecessary, as is *subsection (3)* which provided for the commencement of subsection (1). The only other provision in section 3, subsection (2), has already been repealed.¹³⁷ Accordingly the whole of section 3 may now be repealed.

15. *Section 137* (expenditure met by regional development grants to be disregarded for certain purposes) has already been repealed¹³⁸ with the exception of subsection (1) which repealed text in paragraph 8 of Schedule 3 to the Oil Taxation Act 1975. As a repealing provision, subsection (1) became spent when it came into force at Royal Assent on 30 July 1982. Accordingly the whole of section 137 may now be repealed.

16. *Sections 139 to 142 (and Schedule 19)* provided for the payment of advance petroleum revenue tax (“APRT”). APRT replaced the arrangements in section 105 of the Finance Act 1980 for advance payments of petroleum revenue tax.¹³⁹

17. The lifespan of APRT was reduced by provisions in the Finance Act 1983 which effectively phased out APRT after the end of 1986.¹⁴⁰ Thereafter no APRT could be charged. The period of time that has since elapsed means that any outstanding questions as to liability for APRT should by now have been resolved. On that basis sections 139 to 142 (and the ancillary Schedule 19) are spent and may be repealed. **However, HM Revenue and Customs are asked to consider whether the amendments contained in Part 3 of Schedule 19 continue to serve any useful purpose. If they are still needed, their effect could be preserved by a specific savings provision.**

¹³⁶ The relevant provisions are now contained in Hydrocarbon Oil Duties Act 1979, s 6(1A), inserted by Finance Act 1997, ss 7(3), (10); Finance Act 2000, s 5(3), (6); Finance Act 2003, s 4(1), (4).

¹³⁷ Vehicle Excise and Registration Act 1994, s 65, Sch 5, Pt 1.

¹³⁸ Subsections (2), (3), (6) and (7) repealed by Capital Allowances Act 2001, ss 578, 580, Sch 2, para 6, Sch 4; subsections (4), (5) repealed by Income and Corporation Taxes Act 1988, s 844(4), Sch 31.

¹³⁹ Section 105 was repealed by the 1982 Act, ss 139(6), 157, Sch 22, Pt 9 in relation to chargeable periods ending on or before 30 June 1983.

¹⁴⁰ Finance Act 1983, s 35, Sch 7.

18. Further repeals, consequential upon the repeal of section 139, are *section 135(3)(d)* of the 1982 Act (which disapplied section 139), and section 35 of (and Schedule 7 to) the Finance Act 1983 (as to which see below).

19. *Section 150* (investment in gilt-edged unit trusts) inserted paragraph 10A into Part 2 of Schedule 1 to the Trustee Investments Act 1961. However section 150 became unnecessary when the entry for paragraph 10A was superseded by a new paragraph 10A inserted by the Trustee Investments (Additional Powers) (No 2) Order 1994.¹⁴¹

Finance Act 1983

20. *Section 1* of the Finance Act 1983 (“the 1983 Act”) amended the duties on spirits, beer, wine, made-wine and cider. *Subsection (3)* provided for new rates of excise duty on wine by substituting Schedule 1 to the 1983 Act for the existing Schedule 1 to the Alcoholic Liquor Duties Act 1979. This substitution has since been superseded by further amendments to Schedule 1 to that 1979 Act.¹⁴² Accordingly section 1(3) of, and Schedule 1 to, the 1983 Act are now unnecessary.

21. *Subsection (1) of section 3* of the 1983 Act (hydrocarbon oil) amended the rates of excise duty on hydrocarbon oil by amending text in section 6(1) of the Hydrocarbon Oil Duties Act 1979. These amendments have since been superseded by further amendments to section 6(1).¹⁴³ Accordingly subsection (1) of section 3 is now unnecessary as is *subsection (2)* which provided for the commencement of section 3. There being no other subsections, the whole of section 3 may now be repealed.

22. *Section 35* provided for the phasing out of APRT by amending section 139 of the 1982 Act. Section 35(3)(c) introduced *Schedule 7* which contained phasing out amendments to Schedule 19 to the 1982 Act. The proposal above for the repeal of section 139 and Schedule 19 means that both section 35 and Schedule 7 may be repealed consequentially.

¹⁴¹ SI 1994/1908. The current paragraph 10A was substituted by Financial Services and Markets Act 2000 (Consequential Amendments and Repeals) Order 2001, SI 2001/3649, art 269(1), (2).

¹⁴² See for example Finance Act 1984, s 3, Sch 1. Schedule 1 to the Alcoholic Liquor Duties Act 1979 has been amended by subsequent Finance Acts.

¹⁴³ The relevant provisions are now contained in Hydrocarbon Oil Duties Act 1979, s 6(1A), inserted by Finance Act 1997, s 7(3), (10); Finance Act 2000, s 5(3), (6); Finance Act 2003, s 4(1), (4).

Advance Petroleum Revenue Tax Act 1986

23. The Advance Petroleum Revenue Tax Act 1986 (“the 1986 Act”) provided for the repayment of APRT to oil fields participators whose APRT credits exceeded their liability for petroleum revenue tax. Any claim for repayment of APRT had to be made not later than 28 February 1987.¹⁴⁴ The passage of time since then, taken together with the phasing out of APRT after the end of 1986, means that the 1986 Act is spent and may now be repealed.

Commissioners for Revenue and Customs Act 2005

24. The main purpose of the Commissioners for Revenue and Customs Act 2005 (“the 2005 Act”) was to bring together functions previously vested separately in the Commissioners of Inland Revenue and the Commissioners of Customs and Excise. These functions are now vested in the Commissioners for Her Majesty’s Revenue and Customs and the staff appointed by the Commissioners are known as officers of Revenue and Customs.¹⁴⁵

25. Schedule 1 to the 2005 Act comprises a list of former Inland Revenue matters. Section 7 empowers officers of Revenue and Customs to exercise functions relating to such matters. Section 54(4) specifies a number of obsolete or obsolescent taxes which are to be treated as being included in the list of matters in Schedule 1. The tax specified in paragraph (d) of section 54(4) is “the national defence contribution under Part 3 of the Finance Act 1937”.

26. As indicated in the *Annex*, the national defence contribution was later known as ‘the profits tax’ which was itself abolished in 1965 when corporation tax was introduced.¹⁴⁶ Part 3 of the Finance Act 1937 was repealed at the same time.¹⁴⁷ The reference to the national defence contribution in section 54(4)(d) is unnecessary because there can be no functions relating to that tax for officers of Revenue and Customs to exercise today. Accordingly the repeal of section 54(4)(d) is recommended.

¹⁴⁴ The 1986 Act, s 1(5).

¹⁴⁵ The 2005 Act, s 2(1).

¹⁴⁶ Finance Act 1965, s 46(1), (3).

¹⁴⁷ Finance Act 1965, s 97(5), Sch 22, Pt 5 (subject to a saving in respect of liability for the profits tax for accounting periods ending on or before 5 April 1966).

Extent

27. The provisions proposed for repeal extended throughout the United Kingdom.

Consultation

28. HM Treasury, HM Revenue and Customs and the relevant authorities in Wales, Scotland and Northern Ireland have been consulted about these repeal proposals.

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ANNEX

Obsolete Taxes

1. This Annex outlines some of the obsolete taxes that are referred to in these repeal proposals.

Excess profits tax

2. *Excess profits tax* ('EPT') was established by section 12 of the Finance (No 2) Act 1939 with effect from 1 April 1939. It applied to all trades and businesses (but not professions) carried on in the UK (or carried on outside the UK by persons ordinarily resident in the UK). EPT was imposed on all profits in excess of the 'standard' profits of the trade or business.

3. EPT was in effect abolished by section 36 of the Finance Act 1946 which provided that EPT was not to be chargeable in respect of any accounting period beginning after 31 December 1946. Moreover, no assessment to EPT could be made after 18 July 1961 except in cases of fraud or wilful default.¹⁴⁸

Profits tax (national defence contribution)

4. *The profits tax* was introduced by Part 3 of the Finance Act 1937 under the title of '*national defence contribution*' ('NDC'). It was originally meant to be a temporary tax only, to apply for 5 years from 1 April 1937. On the outbreak of the 1939-45 war, EPT (see above) was introduced, and the NDC was charged only in those cases where it would produce a higher tax yield than EPT. In 1942 the 5-year time limit on NDC was removed.¹⁴⁹ The Finance Act 1946 abolished EPT,¹⁵⁰ and NDC was renamed 'the profits tax'.¹⁵¹

5. Initially, all trades and businesses were chargeable to NDC. In 1947, however, the profits tax ceased to apply to trades or businesses carried on by individuals and

¹⁴⁸ Finance Act 1961, s 32(1)-(3).

¹⁴⁹ Finance Act 1942, s 36.

¹⁵⁰ The 1946 Act, s 36.

¹⁵¹ The 1946 Act, s 44.

partnerships.¹⁵² The tax extended to trades and businesses carried on in the UK (or outside, if carried on by bodies ordinarily resident in the UK). It was entirely separate from income tax, though many of the principles for computing profits for income tax purposes applied to the profits tax. Part 4 of the Finance Act 1947 introduced an abatement system whereby the rate of the profits tax was reduced in respect of profits which were not distributed or which did not exceed certain limits. By the Finance Act 1958, however, the rate of the profits tax became the same for both distributed and undistributed profits.¹⁵³

6. The profits tax was effectively abolished in 1965. By the Finance Act 1965,¹⁵⁴ corporation tax was introduced as a tax on companies in place of income tax and the profits tax. Accordingly the profits tax ceased to be chargeable for accounting periods falling after the end of the year 1965-66.

The special contribution

7. The *special contribution* was a one-off tax imposed by sections 47 to 68 of, and Schedule 10 to, the Finance Act 1948. The liability for the tax was measured by reference to income tax (other than earned income) for the year ended 5 April 1948.¹⁵⁵ The special contribution was payable by individuals whose total income exceeded £2000 and whose aggregate investment income exceeded £250. The tax was payable, subject to exceptions, on or before 1 January 1949.¹⁵⁶ In the absence of fraud or wilful default, no assessment to the tax could be made after 18 July 1961.¹⁵⁷

Excess profits levy

8. The *excess profits levy* ("the levy") was a tax on business imposed by the Finance Act 1952 with effect from 1 January 1952.¹⁵⁸ It was terminated with effect from 31 December 1953 by the Finance Act 1953.¹⁵⁹ The levy was charged on the excess over the 'standard' profits of any body corporate carrying on a trade or business and was

¹⁵² Finance Act 1947, s 31.

¹⁵³ The 1958 Act, s 25.

¹⁵⁴ Section 46.

¹⁵⁵ Nevertheless, the tax was regarded as a capital levy in that satisfaction of the taxpayer's liability would normally have involved resorting to his or her capital resources.

¹⁵⁶ The 1948 Act, s 47(6).

¹⁵⁷ Finance Act 1961, s 32(1) and (2) (which came into force on 19 July 1961).

¹⁵⁸ The 1952 Act Pt 5, Schs 8 to 12.

¹⁵⁹ The 1953 Act, s 27(1).

not deductible in computing profits for income tax or profits tax purposes. The levy was charged at 30%. Relief from the levy already chargeable could be claimed if profits subsequently fell below standard levels. Generally speaking, profits were computed in the same manner as for the profits tax. By the Finance Act 1961¹⁶⁰ no assessment to the levy could be made after 18 July 1961 except in cases of fraud or wilful default.

The special charge

9. The *special charge* (“the charge”) was a one-off tax imposed by Part 4 (sections 41 to 50 and Schedules 15 and 16) of the Finance Act 1968. The charge was levied on all individuals whose aggregate investment income for the year ended 5 April 1968 exceeded £3000 plus the amount of their surtax personal allowances.¹⁶¹ In some cases the apportioned income of family-run companies (“close companies”) was taken into account in assessing the charge. The charge, which was payable on 1 January 1969, was not imposed for any period after 5 April 1968.

¹⁶⁰ The 1961 Act, s 32(1) to (3).

¹⁶¹ Surtax was introduced by Finance Act 1927, s 38 and was charged annually for the years 1928-29 to 1972-73. Surtax was additional income tax charged at a higher rate than the standard rate of income tax.