



Finance Act 1962

1962 CHAPTER 44

PART I

CUSTOMS, EXCISE AND PURCHASE TAX

1 Surcharge under Finance Act, 1961, s. 9, and related changes in rates of revenue duties

- (1) As from the tenth day of April, nineteen hundred and sixty-two.—
- (a) the adjustment of ten per cent. which had effect immediately before that day under subsection (2) of section nine of the Finance Act, 1961, shall not have effect in the case of any duty or tax to which the section applies or of any drawback, rebate, allowance or other payment in connection with such a duty or tax; but
 - (b) subsection (2) below shall have effect in the case of the articles and duties there mentioned with a view to making an equivalent increase (that is to say, an increase of ten per cent. or as near thereto as is convenient) in the rates of those duties or, as the case may be, making an equivalent increase in one or more of the duties or rates applying to the articles and such related increases in others of them as will take account of existing preferences and other matters or will tend to simplify the duty.
- (2) The customs and excise duties to be so increased and the amounts of the increases, together with the increase in the rates of any drawback where those rates are not under the enactments relating to the duty fixed by the rates of duty, shall be as appears from the following paragraphs, that is to say:—
- (a) in the case of spirits other than imported perfumed spirits, beer (but not black beer), wine and British wine, the equivalent increase shall be made—
 - (i) in the rate of the excise duty on spirits not chargeable with additional duty as immature spirits ; and
 - (ii) in the rate of the excise duty on beer; and
 - (iii) in the Commonwealth rates of the customs duty on still wines and in the excise duty on still British wine;

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and the full and Commonwealth rates of duty, the rates of excise duty, and in the case of beer the corresponding rates of drawback, shall be as respectively shown in the relevant columns in the First, Second and Third Schedules to this Act (where the First Schedule also sets out in Table II the existing rates of customs duty on imported perfumed spirits);

- (b) in the case of tobacco the equivalent increase shall be made in the rates of duty on unmanufactured tobacco, and the full and Commonwealth rates of customs duty, the rates of excise duty and the corresponding rates of drawback, shall be as respectively shown in the relevant columns in the Fourth Schedule to this Act;
- (c) in the case of hydrocarbon oils, power methylated spirits and petrol substitutes, the equivalent increase shall be made in the rate of the customs duty on hydrocarbon oils (that rate accordingly becoming two shillings and ninepence a gallon), and the enactments fixing by reference to the rate of that duty the rates of excise duty on those articles and the rates of rebate on heavy oils shall have effect accordingly ;
- (d) in the case of the pool betting duty, the equivalent increase shall be made in the rate of the duty applicable to bets other than bets made by means of a totalisator set up on a licensed dog racecourse, with effect for bets made at any time by reference to an event taking place on or after the said tenth day of April, and that rate shall accordingly become thirty-three per cent.;
- (e) in the case of the television advertisement duty, the equivalent increase shall be made in the rate of the duty, with effect for programmes broadcast on or after the said tenth day of April, and that rate shall accordingly become eleven per cent.

The supplementary provisions contained in the First, Second, Third and Fourth Schedules to this Act shall have effect for adapting, with regard to the rates of duty and drawback there provided, the existing enactments concerning the duties in question.

- (3) Orders of the Treasury under section nine of the Finance Act, 1961, may, notwithstanding the proviso to subsection (1) of that section, be made or continue in force after the thirty-first day of August, nineteen hundred and sixty-two, but not after the thirty-first day of August, nineteen hundred and sixty-three, or such later date as Parliament may hereafter determine.
- (4) For the purposes of this section—
 - (a) " black beer " means black beer of an original gravity of 1200 degrees or more ; and
 - (b) "British wine " means any liquor heretofore comprised in the expression " sweets "; and
 - (c) " Commonwealth rate" means the rate applying to articles which qualify for Commonwealth preference; and
 - (d) " licensed dog racecourse" means a dog racecourse which is a track in respect of which a licence granted under Part I of the Betting and Lotteries Act, 1934, is for the time being in force, and " totalisator " has the same meaning as in the said Part I;

and in the excise Acts for the expression " sweets ", wherever occurring, there shall be substituted the expression " British wine ".

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2 Lower rates of customs duties on E.F.T.A. goods

- (1) In the case of goods of Convention area origin within the meaning of the European Free Trade Association Act, 1960.—
 - (a) the duties of customs and drawbacks of those duties mentioned in Table I in the First Schedule and in the Second and Fourth Schedules to this Act, instead of being charged or allowed at the full rates there shown shall be charged or allowed at the Convention rates shown in the relevant columns of those Schedules ; and
 - (b) the duties of customs charged on matches by section four of the Finance Act, 1951, shall be charged at the rate of 19s. 7d. (instead of 19s. lid.) per 10,000 matches in containers in which there are not more than 30 matches, and at the rate of 14s. 6d. (instead of 14s. 5d.) per 7,200 matches in containers in which there are more than 30 matches ; and
 - (c) the duty of customs charged on mechanical lighters by section six of the Finance Act, 1928, shall be charged at the rate of 6s. 6d. (instead of 7s. 0d.) or, in the case of a gas lighter, at the rate of 4s. 6d. (instead of 5s. 0d.).
- (2) In the application to any of the said duties of any provision contained in the customs Acts and passed before this Act, any reference to a preferential rate shall be taken as referring only to a rate for goods qualifying for Commonwealth preference, and any reference to the full rate (where distinguished from a preferential rate) shall be taken as including any Convention rate of duty.
- (3) This section shall have effect as from the tenth day of April, nineteen hundred and sixty-two.

3 Sugar, tea, coffee and cocoa chargeable with protective instead of revenue duties

- (1) In respect of the following goods, that is to say.—
 - (a) sugar, molasses, glucose and saccharin ; and
 - (b) tea; and
 - (c) coffee, chicory and mixtures thereof, and preparations consisting wholly or partly of extracts, essences or other concentrations of coffee or chicory ; and
 - (d) cocoa, cocoa butter and cocoa husks and shells ;there shall be charged under the Import Duties Act, 1958, such duties of customs (if any) as may be provided for in accordance with that Act by any order of the Treasury, and on the coming into force of such an order for goods within any paragraph of this subsection any duties of customs then chargeable under any other Act in respect of goods within that paragraph shall cease to be chargeable.
- (2) The following duties of customs shall, until they cease under subsection (1) above to be chargeable, be charged in respect of sugar, invert sugar, glucose and saccharin imported into the United Kingdom, that is to say, in the case of sugar, invert sugar, glucose and saccharin not qualifying for Commonwealth preference, duties at the rates shown in Part I of the Fifth Schedule to this Act, and in the case of sugar qualifying for Commonwealth preference, being sugar of a polarisation exceeding 99°, a duty at the rate of 12-8d. per cwt., and as regards drawback of those duties the following provisions shall apply:—
 - (a) drawback allowable in respect of sugar produced in the United Kingdom from dutiable materials shall be as follows:—

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- (i) where the duty on the materials was paid in accordance with Part I of the Fifth Schedule to this Act at a rate less than 6s. 108d. per cwt., and the sugar is of a polarisation exceeding 98°, the rate of drawback shall be 4s. 3 1/3 d.;
- (ii) in any other case the drawback shall be of an amount equal to the duty chargeable on sugar of the like polarisation (and qualifying or not qualifying for Commonwealth preference as the materials did or did not so qualify on payment of the duty);
- (b) drawback shall not be allowable (except in the case of invert sugar) in respect of molasses produced in the United Kingdom from dutiable materials, and any drawback allowable in respect of invert sugar so produced shall be of an amount equal to the duty paid on the materials;

and there shall not be charged any duty of customs or excise previously chargeable on sugar, molasses, glucose or saccharin (except any duty of customs under the Import Duties Act, 1958), nor shall any excise licence be required to manufacture in Great Britain sugar, glucose, saccharin or invert sugar.

There shall also not be allowed any drawback or other relief, whether of the duties previously chargeable or of the duties under this subsection, by virtue of section two hundred and sixteen or two hundred and seventeen, or of paragraph (e) or (f) of subsection (1) of section two hundred and eighteen, of the Customs and Excise Act, 1952 (which relate to goods for use in certain manufactures or for the feeding of stock).

- (3) Until they cease under subsection (1) above to be chargeable, the duties of customs chargeable on coffee under section three of the Finance Act, 1924, and on preparations consisting wholly or partly of extracts, essences or other concentrations of coffee or chicory under section two of the Finance Act, 1946, shall be charged at the rates shown in Table I in the Sixth Schedule to this Act; and for roasted coffee and mixtures of roasted coffee and roasted chicory the rates of drawback of the duties chargeable under the said section three shall be the rates shown for these drawbacks in Table II in that Schedule.
- (4) A duty of customs shall, until it ceases to be chargeable under subsection (1) above, be charged at the rate of 2s. 4d. per cwt. on cocoa or cocoa butter imported into the United Kingdom and not qualifying for Commonwealth preference, and there shall not be charged the duties of customs previously chargeable on cocoa, cocoa butter and cocoa husks and shells under section two of the Finance Act, 1924. Drawback of the duty under this subsection shall not be allowed under section two hundred and thirty-one of the Customs and Excise Act, 1952, on goods delivered or appropriated for use in the manufacture of theobromine.
- (5) Subsections (2) to (4) above shall have effect as from the tenth day of April, nineteen hundred and sixty-two.
- (6) The changes made by subsections (1) and (2) above in the duties on sugar or invert sugar, or in the drawbacks and other reliefs of those duties, shall not affect or be deemed to have affected surcharge and surcharge repayments or distribution payments and repayments under the Sugar Act, 1956, except to the extent provided for by Part II of the Fifth Schedule to this Act; and the Sugar Act, 1956, shall have effect subject to and in accordance with the provisions of Part II of the Fifth Schedule to this Act (being provisions designed to adapt its operation in the United Kingdom to the provision made by this section as to sugar and molasses, and to secure that it has the like operation in the Isle of Man).

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4 Hydrocarbon oils (minor amendments)

- (1) For the purposes of the customs and excise Acts the expression " fuel oils" shall include any heavy oils which contain in solution an amount of hard asphalt of not less than one tenth of one per cent. and of which the closed flash point is one hundred and fifty degrees centigrade or below (so that in respect of any such oils the rate of the rebate of customs duty shall, in accordance with section two of the Finance Act, 1961, be twopence, instead of threepence, less than the rate of the duty); and this shall have effect from the tenth day of April, nineteen hundred and sixty-two.
- (2) In the Customs and Excise Act, 1952—
 - (a) section two hundred and one (which provides for the licensing of persons selling unrebated heavy oils) shall cease to have effect, and accordingly in subsection (1) of section two hundred and two for the words " the two last foregoing sections " there shall be substituted the words " section two hundred of this Act "; and
 - (b) in the said section two hundred, for subsections (2) to (5) there shall be substituted the subsections set out in the Seventh Schedule to this Act (which substantially reproduce the effect of the said subsections (2) to (5) as amended by section seven of the Finance Act, 1959, section nine of the Finance Act, 1960, and the Seventh Schedule to the Vehicles (Excise) Act, 1962).
- (3) In subsections (2) and (3) of section two hundred and three of the Customs and Excise Act, 1952 (which relate to the allowance, on the exportation etc. of any articles, of drawback of duty on hydrocarbon oil, or goods containing it, used as a material, solvent, preservative or finish in the manufacture or preparation of those articles), after the word " solvent", there shall, in both places, be inserted the word " extractant ".

5 Amendments of Vehicles (Excise) Act, 1962

- (1) For the purpose of the application, in relation to an offence committed after the commencement of this Act, of paragraph (b) of section seven of the Vehicles (Excise) Act, 1962, or paragraph (b) of subsection (9) of section twelve thereof (which provide for excise penalties calculated by reference to the duty chargeable in respect of a vehicle), the amount of the duty chargeable in respect of any vehicle shall be taken to be an amount equal to the annual rate of duty applicable to the vehicle at the date on which the offence was committed or, where in the case of a vehicle kept on a public road that rate differs from the annual rate by reference to which the vehicle was at that date chargeable under section four of that Act, equal to the last-mentioned rate.

In the case of a conviction for a continuing offence, the offence shall be taken for the purposes of this subsection to have been committed on the date or latest date to which the conviction relates.

- (2) In section seventeen of the Vehicles (Excise) Act, 1962, in subsection (2) (which renders punishable a false declaration made in connection with an application for a licence for a vehicle) there shall be inserted in paragraph (a) after the word " vehicle " the words " (including an application for a trade licence)".

6 Purchase tax

- (1) Part I of the Second Schedule to the Finance Act, 1958, shall be amended as follows (but subject to any new order of the Treasury under section twenty-one of the Finance Act, 1948), that is to say:—

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- (a) as from the tenth day of April, nineteen hundred and sixty-two, the rates of tax shall be amended by substituting for any reference to a rate of fifty per cent. a reference to a rate of forty-five per cent., and for any reference to a rate of twelve and a half per cent. or of five per cent. a reference to a rate of ten per cent. and accordingly as from the passing of this Act the Groups mentioned in Part I of the Eighth Schedule to this Act shall be amended as there specified; and
 - (b) as from the eighth day of May, nineteen hundred and sixty-two, the Groups set out in Part II of the Eighth Schedule to this Act shall be added after Group 33.
- (2) In relation to chargeable goods, being beverages or products for the preparation of beverages, section twenty-five of the Finance (No. 2) Act, 1940 (which provides that certain appropriations or applications of chargeable goods for purposes there mentioned shall be treated as chargeable purchases), shall apply as if the production of beverages which are not purchase tax goods (other than spirits, beer or British wine produced under the authority of the appropriate excise licence) were among the purposes specified in paragraphs (a) to (c) of subsection (1) of that section, and shall so apply with effect from the eighth day of May, nineteen hundred and sixty-two; and references to that section in any other enactment shall have effect accordingly.
- In this subsection " purchase tax goods " means goods of any description from time to time comprised in Part I of the Second Schedule to the Finance Act, 1958.
- (3) For the purposes of the enactments relating to purchase tax any person who in the United Kingdom makes, or applies any process in the course of the making of, goods for use in or in connection with a business carried on by him shall be treated as carrying on a business of making those goods, and shall accordingly be deemed to be a manufacturer; and in the case of any such person his appropriation or application of the goods to that use shall, for the purposes of section twenty-three of the Finance (No. 2) Act, 1940, and of any other enactment relating to registration for purchase tax purposes, be considered as a sale in the course of his business at a price equal to the wholesale value of the goods.
- (4) Any drug or medicine comprised in Group 33 in Part I of the Second Schedule to the Finance Act, 1958 (or any Group substituted therefor by order of the Treasury under section twenty-one of the Finance Act, 1948) shall be exempt from all charge to purchase tax, if so directed by the Commissioners of Customs and Excise:

Provided that—

- (a) any direction under this subsection shall cease to have effect, if not previously revoked, on the expiration of fifteen months from the giving of the direction or on the coming into force of an order of the Treasury with respect to the exemption from tax of drugs and medicines so comprised, not being an order made before or within six weeks after the giving of the direction; and
 - (b) the Commissioners shall not give such a direction except on the recommendation of the Minister of Health or of the Minister of Agriculture, Fisheries and Food.
- (5) Where an amount is due from any person on account of purchase tax, but by reason of his failure to keep or to produce or furnish to the proper officer the accounts, records or other documents required by or under the enactments relating to the tax, or to take or permit to be taken any other step which he is so required to take or permit to be taken, or by reason of the accounts, records or other documents kept, produced or furnished being materially incomplete or inaccurate, the Commissioners of Customs and Excise

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are unable to ascertain the amount of tax properly due from him, the Commissioners may estimate the amount of tax due, and (without prejudice to the recovery of the full amount due or to the making of a further estimate in that behalf) the amount estimated shall be recoverable as tax properly due unless in any action relating thereto the person liable proves the amount properly due, and that amount is less than the amount estimated.

- (6) An estimated sum for tax due from a person in respect of a period before the coming into force of subsection (5) above may be recovered under that subsection notwithstanding any proceedings taken before that subsection comes into force for the recovery of that tax on an estimate made by the Commissioners of the amount due, or any order made, judgment given or other thing done after the ninth day of April, nineteen hundred and sixty-two, in or in relation to any such proceedings; but save as aforesaid that subsection shall not affect any order or judgment made or given before that subsection comes into force.