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SCHEDULES

FIFTH SCHEDULE

Section 18.

PURCHASE TAX: SUPPLEMENTARY PROVISIONS AS TO ROAD VEHICLE CHASSIS AND ROAD VEHICLES

PART I

PROVISIONS DEALING WITH TAX IN RESPECT OF ROAD VEHICLE CHASSIS

- 1 (1) Purchase tax in respect of a road vehicle chassis shall be chargeable on the wholesale value of the chassis complete but without additions, and for the purposes of section twenty-one of the Finance (No. 2) Act, 1940 (which relates to the determination of wholesale value), any chassis in respect of which tax is chargeable shall be assumed to be in that state.
- (2) The following shall be deemed to be additions to a chassis for the purposes of this paragraph, namely—
- (a) a driver's cab;
 - (b) accumulators used for the purpose of the supply of power for propulsion;
 - (c) in the case of a chassis for a tractor or locomotive designed for use as a component of a composite vehicle, a turntable, coupling gear or equivalent mechanism.
- (3) Subject to the last foregoing sub-paragraph, it shall be for the Commissioners to determine for any chassis or type of chassis what parts and accessories are, for the purposes of this paragraph, to be deemed to belong to a complete chassis or to be additions thereto, and what type of any part or accessory deemed to belong to a complete chassis a chassis lacking that part or accessory is to be treated for those purposes as having.
- (4) In exercising their powers under the last foregoing sub-paragraph, the Commissioners shall wherever practicable have regard to any standard commercial specification for the type of chassis in question.
- 2 The fitting to a road vehicle chassis of items deemed to be additions thereto for the purposes of the foregoing paragraph shall not be treated as the application of a chargeable process.
- 3 (1) In relation to road vehicle chassis, the enactments relating to purchase tax shall have effect as if—
- (a) any dealing with a goods vehicle (and in particular any purchase, appropriation or application, or importation thereof) were a dealing with the vehicle's chassis; and
 - (b) goods vehicles were chargeable goods for the purposes of any reference to a business of, or a business including, the selling, or the letting out on hire, of chargeable goods;

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and the fact that a chassis forms part of a vehicle shall not affect the operation in relation to the chassis of references in the said enactments to goods resulting from the application of a process, if when the process is completed the vehicle is a goods vehicle.

- (2) In this paragraph the expression "goods vehicle" means a mechanically propelled road vehicle constructed or adapted for use for the carriage or haulage of goods or burden of any description not forming part of the vehicle or necessary for its propulsion or equipment, but does not include—
- (a) vehicles which are chargeable goods under Group 35 in Part I of the Eighth Schedule to the Finance Act, 1948;
 - (b) vehicles which are constructed or adapted mainly for the carriage of passengers but are exempt from purchase tax under paragraph (c) of that Group;
 - (c) vehicles of the following descriptions which are designed and permanently fitted solely or mainly for a function other than the carriage of passengers or goods—
 - (i) mobile cinemas, sound film production vehicles, television production vehicles and recording vans;
 - (ii) mobile canteens and shops, mobile clinics and travelling libraries;
 - (iii) mobile printing presses and other mobile workshops;
 - (iv) hearses;
 - (v) gully emptiers, road cleansing, road watering and refuse collecting vehicles;
 - (vi) travelling lavatories and wash places;
 - (vii) breakdown vehicles fitted with a jib crane;
 - (viii) engineering plant;
 - (d) tractors and locomotives, except tractors or locomotives designed for use as components of a composite vehicle;
 - (e) industrial and works trucks designed primarily for use in factories, docks, yards, railway stations or warehouses;
 - (f) wheeled vehicles which drive through all road wheels and are of less than 30 cwt. unladen weight;
 - (g) pedestrian controlled vehicles;
 - (h) caravans.
- (3) The Treasury shall have power by order to amend sub-paragraph (2) of this paragraph, and subsections (3) to (6) of section twenty-one of the Finance Act, 1948 (which provide for approval or annulment by the House of Commons and other matters in the case of orders under that section), shall apply to orders under this sub-paragraph as they apply to those orders.

4 Where the Commissioners are satisfied—

- (a) that purchase tax has become chargeable in respect of a road vehicle chassis;
- (b) that the chassis has been used for the construction of a vehicle which is neither a goods vehicle within the meaning of the last foregoing paragraph nor a vehicle falling within paragraph (a) or (d) of sub-paragraph (2) of that paragraph; and
- (c) that the chassis has not previously been used for the construction of a vehicle;

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the purchase tax chargeable in respect of the chassis shall be remitted or, if it has been paid, shall be repaid.

PART II

PROVISIONS ADJUSTING CONTRACTUAL RIGHTS IN RELATION TO PURCHASE TAX IN RESPECT OF ROAD VEHICLES

- 1 (1) This Part of this Schedule applies to vehicles of the following description, that is to say:—
- road vehicles constructed or adapted for use for the carriage or haulage of goods or burden of any description not forming part of the vehicle or necessary for its propulsion or equipment, being either mechanically propelled vehicles or vehicles designed for use as components of a composite vehicle which is mechanically propelled, and not being vehicles in respect of which purchase tax has become chargeable nor vehicles of the kinds mentioned in paragraphs (b), (c), (d), (e) and (h) of sub-paragraph (2) of paragraph 3 of Part I of this Schedule;
- but applies to a vehicle of that description only where purchase tax would have become chargeable in respect of it if vehicles of that description had been made chargeable goods as from the first day of May, nineteen hundred and fifty.
- (2) Any reference in this Part of this Schedule to a prospective liability by virtue of this Act to purchase tax shall be taken as a reference to a prospective liability to purchase tax arising from the charge of purchase tax on certain vehicles which was provided for by a resolution passed by the Committee of Ways and Means of the House of Commons on budget day.
- (3) In this Part of this Schedule, the expression " relevant vehicle " means a vehicle to which this Part of this Schedule applies, the expression " budget day " means the eighteenth day of April, nineteen hundred and fifty, and the expression " process of manufacture " has the same meaning as in section sixteen of the Finance Act, 1946.
- 2 Subject to paragraph 5 of this Part of this Schedule, where a relevant vehicle was sold in the course of a business under a purchase made after budget day and before the date of the passing of this Act at a price exceeding the price at which, in the ordinary course of that business, similar vehicles were sold or offered for sale immediately before budget day, the buyer shall be entitled to deduct from the price, or (if he has paid the price) to recover from the seller as money received by him for the use of the buyer, an amount equal to the excess, except in so far as the seller proves that the excess was included in the price by reference to matters other than—
- (a) his prospective liability by virtue of this Act to purchase tax in respect of the vehicle; or
 - (b) any increase attributable to the prospective liability as aforesaid of any other person in the price charged to the seller on a contract made by him after budget day for the purchase of the vehicle or for the application of a process of manufacture resulting in the vehicle.
- 3 Subject as aforesaid, where a relevant vehicle was sold under a purchase made on or before budget day and was delivered under the purchase on or after the first day of May, nineteen hundred and fifty, but before the date of the passing of this Act, and the seller has recovered from the buyer, as an addition to the price, any sum fixed by reference to his prospective liability by virtue of this Act to purchase tax

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in respect of the vehicle, the buyer shall be entitled to recover that sum from the seller as money received by him for the use of the buyer.

4 The two last foregoing paragraphs shall apply where a contract (not being a contract of sale) was made for the application of a process of manufacture resulting in a relevant vehicle, as they would have applied if the contract had been a contract for the sale of the vehicle to the person to whose order the process is applied by the person applying it to his order, but with the substitution—

- (a) in paragraph 2 for the reference to similar vehicles being sold or offered for sale of a reference to contracts for similar operations being made or invited; and
- (b) in paragraph 3 for the reference to the vehicle being delivered of a reference to the process being completed.

5 (1) Where, in the case of a relevant vehicle, a transaction giving rise to any such prospective liability to purchase tax as is referred to in the foregoing provisions of this Part of this Schedule was one by reason of which purchase tax is chargeable in respect of the vehicle's chassis, any amount which apart from this paragraph might be deducted or recovered under those provisions as referable to that prospective liability, or to an increase of price attributable to that prospective liability, shall be reduced by the amount of the tax so chargeable.

(2) A person shall not be entitled to recover under subsection (2) of section twenty-four of the Finance Act, 1948, any tax in respect of which he is entitled to a reduction under the foregoing sub-paragraph.