



Finance Act 1965

1965 CHAPTER 25

PART I

1 F1

.....
Textual Amendments

F1 S. 1 repealed by Finance Act 1969 (c. 32), s. 61(6), **Sch. 21 Pt. I**

2 F2

.....
Textual Amendments

F2 S. 2 repealed by European Communities Act 1972 (c. 68), s. 4, **Sch. 3 Pt. I** and Finance Act 1977 (c. 36), s. 59(5), **Sch. 9 Pt. I**

3 F3

.....
Textual Amendments

F3 S. 3 repealed by Finance Act 1972 (c. 41), ss. 54(8), 134(7), **Sch. 28 Pt. II**

4 F4

Status: Point in time view as at 01/02/1991.
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1965. (See end of Document for details)

Textual Amendments
F4 S. 4 repealed by Finance Act 1966 (c. 18), s. 53(7), **Sch. 13 Pt. II**

5 F5

Textual Amendments
F5 S. 5 repealed by Finance Act 1968 (c. 44), s. 61(10), **Sch. 20 Pt. I** and Vehicles (Excise) Act 1971 (c. 10), s. 39(5), **Sch. 8 Pt. I**

6, 7. F6

Textual Amendments
F6 Ss. 6, 7 repealed by Vehicles (Excise) Act 1971 (c. 10), s. 39(5), **Sch. 8 Pt. I**

8 F7

Textual Amendments
F7 S. 8 repealed by Hydrocarbon Oil (Customs and Excise) Act 1971 (c. 12), s. 24(2), **Sch. 7**

PART II

9–18 F8

Textual Amendments
F8 Pt. II (ss. 9–18) repealed by Income and Corporation Taxes Act 1970 (c. 10), ss. 538(1), 539(1), **Sch. 16** and Finance Act 1971 (c. 68), ss. 56(3)(4), 69(7), **Sch. 14 Pt. IV**

PART III

Modifications etc. (not altering text)
C1 Part III extended by Finance Act 1966 (c. 18), Sch. 10 Pt. I paras. 12, **13**, Finance Act 1968 (c. 44), **Sch. 12 para. 7**, Finance Act 1969 (c. 32), **Sch. 19 para. 15(1)**, Post Office Act 1969 (c. 48), **s. 74(2)**, Income and Corporation Taxes Act 1970 (c. 10), **ss. 278(3)**, 279(2), 525(2) and Finance Act 1973 (c. 51), **s. 38(3)**; modified by Finance Act 1966 (c. 18), Sch. 10 Pt. I paras. 4, **13** and Finance Act 1968 (c. 44), **Sch. 12 para. 4(1)**; applied with modification by Finance Act 1966 (c. 18), Sch. 10 Pt. I paras.

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10, 13 and Income and Corporation Taxes Act 1970 (c. 10), s. 265(4); explained by Finance Act 1969 (c. 32), Sch. 19 para. 9, Income and Corporation Taxes Act 1970 (c. 10), s. 352(7) and Finance Act 1970 (c. 24), s. 16(4), **Sch. 3 para. 8(1)**; restricted by Income and Corporation Taxes Act 1970 (c. 10), s. 273(1)

19–44 **F9**

Textual Amendments

F9 Pt. III (ss. 19–45) repealed (except s. 45(12)) by Capital Gains Tax Act 1979 (c. 14, SIF 63:2), ss. 157, 158, **Sch. 8**

45 Interpretation and other supplemental provisions.

(1) **F10**

(12) Schedule 10 to this Act (administration) shall have effect for the purposes of this Act.

Textual Amendments

F10 Pt. III (ss. 19–45) repealed (except s. 45(12)) by Capital Gains Tax Act 1979 (c. 14, SIF 63:2), ss. 157, 158, **Sch. 8**

PART IV

TAXATION OF COMPANIES AND OF COMPANY DISTRIBUTIONS

46–83 **F11**

Textual Amendments

F11 Ss. 46–83 repealed (with savings for ss. 65, 74, 80(8)) by Income and Corporation Taxes Act 1970 (c. 10), ss. 537(1), 538(1), 539(1), **Sch. 14 paras. 9(2)(c)**, 14(2)(a), 20, Sch. 16 (and ss. 80(8), 82(4) saved by Income and Corporation Taxes Act 1988 (c. 1), s. 844, **Sch. 30 para. 6(2)(d)**) and subject to an amendment of s. 69 by S.I. 1995/1916, **reg. 3B**, as inserted by reg. 4 of the same S.I.

84 **F12**

Textual Amendments

F12 S. 84 repealed by Income and Corporation Taxes Act 1988 (c. 1), s. 844, **Sch. 31**

85 **F13**

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Textual Amendments

F13 S. 85 repealed (with savings by [Income and Corporation Taxes Act 1988 \(c. 1\)](#), s. 844, [Sch. 30 para. 6\(2\)\(e\)](#)) by [Income and Corporation Taxes Act 1970 \(c. 10\)](#), ss. 537(1), 538(1), 539(1), [Schs. 14, 16](#)

86

F14

Textual Amendments

F14 S. 86 repealed by [Income and Corporation Taxes Act 1970 \(c. 10\)](#), ss. 538(1), 539(1), [Sch. 16](#)

87 Transitional relief for existing companies on cessation of trade etc.

- (1) Where a company is, in respect of any source of income, within the charge to corporation tax under any relevant Case of Schedule D during the year 1965-66, and ceases to possess that source at any time between that year and the year 1971-72, then subject to the provisions of this section the company shall be entitled to relief from tax in respect of any amount by which, if the company had ceased to possess the source at the end of the year 1965-66, the taxed income from the source during the cessation period would have been less than the actual taxed income during that period.
- (2) Relief under this section shall be an allowance equal to whichever is the less of—
 - (a) the amount referred to in subsection (1) above; and
 - (b) an amount equal to the appropriate fraction of the taxed income from the source during a period equal in length to the cessation period but ending when the company ceases to possess the source:

Provided that if the company ceases to possess the source in the year 1968-69 the allowance shall be reduced by one quarter: if in the year 1969-70, by one half: and if in the year 1970-71, by three-quarters.
- (3) Where a company is entitled to an allowance under this section in respect of any source of income, then for the purpose of any liability of the company to corporation tax or income tax (but not for any other purpose) the amount of the income arising to the company from the source shall be treated as reduced by the amount of the allowance (the reduction being made, as far as may be, in the income arising in accounting periods for which the company is chargeable to corporation tax in respect of the source and, subject to that, in the income chargeable to income tax before the year 1966-67, and being made, as far as may be, in the income of a later rather than in that of an earlier period or year); and relief under this section shall be given in priority to any other relief.
- (4) For purposes of this section “taxed income” means, in relation to any source, the amount of the income falling to be included in assessments for the purpose of charging the company to income tax or corporation tax in respect of the source.
- (5) For purposes of this section the relevant Cases of Schedule D are Cases I to V; and in relation to any source of income—
 - (a) “the cessation period” means the period over which assessments to income tax might have been revised on the company ceasing to possess the source at

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the end of the year 1965-66 (and accordingly is three years for Cases I and II and two years for Cases III, IV and V); and

- (b) “the appropriate fraction” is such fraction of the cessation period as falls after the time when the company is first within the charge to corporation tax in respect of the source (and accordingly is, for Cases III, IV and V, one half).
- (6) In relation to Cases I and II of Schedule D, the provisions contained in Schedule 21 to this Act shall have effect to supplement the foregoing subsections, and those subsections shall have effect subject to and in accordance with those provisions.
- (7) In relation to Cases III, IV and V of Schedule D, this section shall, if a company at any material time ceases to possess part of a source of income, apply as if that part had been a separate source, but shall not apply to a source or part of a source where the income from it falls to be charged in accordance with section 430(1) of the Income Tax Act 1952 (which relates to the taxation of investment income of certain life assurance companies).
- (8) There shall be made any such adjustments of any person’s liability to corporation tax or income tax, whether by way of repayment of tax, assessment or otherwise, as may be necessary to give effect to this section or Schedule 21 to this Act, and any such adjustment may be made at any time not later than six years after the event giving rise to the adjustment.

Modifications etc. (not altering text)

- C2** See [Income and Corporation Taxes Act 1970 \(c. 10, SIF 63:1\)](#), [s.537\(1\)](#) and Sch. 14 para. 24(1) — reference to [Income Tax Act 1952 \(c. 10, SIF 63:1\)](#), [s.430\(1\)](#) includes reference to [Income and Corporation Taxes Act 1970 \(c. 10, SIF 63:1\)](#), [s.316\(1\)](#)
- C3** See [Taxes Management Act 1970 \(c. 9, SIF 63:1\)](#), [s.119](#) and Sch. 4 para. 6— claim required to obtain relief under s.87(8) and after making claim no notice to be given or revoked under [Income Tax Act 1952 \(c. 10, SIF 63:1\)](#), [s.129](#)

88 **F15**

Textual Amendments

- F15** [S. 88](#) repealed (with savings) by [Finance Act 1975 \(c. 7\)](#), ss. 50, 52(2)(3), 59, [Sch. 13 Pt. I](#)

89 **F16**

Textual Amendments

- F16** [S. 89](#) repealed (with savings) by [Income and Corporation Taxes Act 1970 \(c. 10\)](#), ss. 537(1), 538(1), 539(1), [Schs. 14, 16](#)

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PART V

MISCELLANEOUS AND GENERAL

90 Stamp duty: conveyances and transfers.

- (1) Subject to the provisions of this section, any instrument whereby property is conveyed or transferred to any person in contemplation of a sale of that property shall be treated for the purposes of the ^{M1}Stamp Act 1891 as a conveyance or transfer on sale of that property for a consideration equal to the value of that property.
- (2) If on a claim made to the Commissioners not later than two years after the making or execution of an instrument chargeable with duty in accordance with subsection (1) of this section, it is shown to their satisfaction—
- (a) that the sale in contemplation of which the instrument was made or executed has not taken place and the property has been re-conveyed or re-transferred to the person from whom it was conveyed or transferred or to a person to whom his rights have been transmitted on death or bankruptcy; or
 - (b) that the sale has taken place for a consideration which is less than the value in respect of which duty was paid on the instrument by virtue of this section,
- the Commissioners shall repay the duty paid by virtue of this section, in a case falling under paragraph (a) of this subsection, so far as it exceeds the stamp duty which would have been payable apart from this section and, in a case falling under paragraph (b) of this subsection, so far as it exceeds the stamp duty which would have been payable if the instrument had been stamped in accordance with subsection (1) of this section in respect of a value equal to the consideration in question:
- ^{F17}
...
- (3) No instrument chargeable with duty in accordance with subsection (1) of this section shall be deemed to be duly stamped unless the Commissioners have been required to express their opinion thereon under section 12 of the said Act of 1891 and have expressed their opinion thereon in accordance with that section.
- (4) The foregoing provisions of this section shall apply whether or not an instrument conveys or transfers other property in addition to the property in contemplation of the sale of which it is made or executed, but those provisions shall not affect the stamp duty chargeable on the instrument in respect of that other property.
- (5) For the purposes . . . ^{F18}of subsection (1) of this section, the value of property conveyed or transferred by an instrument chargeable with duty in accordance with [^{F19}that subsection] shall be determined without regard to—
- (a) any power (whether or not contained in the instrument) on the exercise of which the property, or any part of or any interest in, the property, may be revested in the person from whom it was conveyed or transferred or in any person on his behalf;
 - (b) any annuity reserved out of the property or any part of it, or any life or other interest so reserved, being an interest which is subject to forfeiture;

but if on a claim made to the Commissioners not later than two years after the making or execution of the instrument it is shown to their satisfaction that any such power as is mentioned in paragraph (a) of this subsection has been exercised in relation to the property and the property or any property representing it has been re-conveyed or re-transferred in the whole or in part in consequence of that exercise the Commissioners shall repay the stamp duty paid by virtue of this subsection, in a case where the whole

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of such property has been so re-conveyed or re-transferred, so far as it exceeds the stamp duty which would have been payable apart from this subsection and, in any other case, so far as it exceeds the stamp duty which would have been payable if the instrument had operated to convey or transfer only such property as is not so re-conveyed or re-transferred.

(6) This section shall be construed as one with the said Act of 1891.

(7) This section shall come into force on 1st August 1965.

Textual Amendments

F17 Proviso repealed by [Finance Act 1985 \(c. 54, SIF 114\), s. 98\(6\), Sch. 27 Pt. IX\(1\)](#)

F18 Words repealed by [Finance Act 1985 \(c. 54, SIF 114\), s. 98\(6\), Sch. 27 Pt. IX\(1\)](#)

F19 Words substituted by [Finance Act 1985 \(c. 54, SIF 114\), s. 82\(3\)\(6\)\(8\)](#)

Marginal Citations

M1 [1891 c. 39.](#)

91 Interest where stamp duty repaid under judgment.

Where under section 13(4) of the ^{M2}Stamp Act 1891 (appeals against assessment of stamp duty) a court orders any sum to be repaid by the Commissioners of Inland Revenue, the court may order it to be repaid with such interest as the court may determine.

Marginal Citations

M2 [1891 c. 39.](#)

92 Grants towards duty charged on bus fuel.

- (1) There shall be paid out of moneys provided by Parliament the expenses of making such grants as [^{F20}the Secretary of State], in his discretion and on such conditions as he thinks fit to impose, may make to operators of bus services towards defraying customs or excise duty charged on fuel used in operating . . . ^{F21}after the commencement of section 2 of the ^{M3}Finance (No. 2) Act 1964 (which increased by sixpence a gallon the duty on hydrocarbon oils, petrol substitutes and power methylated spirits) [^{F22}a bus service which is of a description specified for the purposes of this section and which meets any conditions which may be specified in relation to that description of service.]
- (2) The method of calculating the said grants shall be such as [^{F20}the Secretary of State] may with the approval of the Treasury from time to time determine, either generally or in particular cases or classes of case [^{F23}but the amount of a grant shall not exceed such sum as for every gallon of fuel used or estimated to have been used in operating the bus service during the period to which the grant relates as the Treasury may from time to time approve, being a sum not greater than the rate per gallon of the duty of excise chargeable on [^{F24}light oil] produced in the United Kingdom at the date of use of the fuel, including any addition to that duty by virtue of an order under [^{F25}section 1 of the ^{M4}Excise Duties (Surcharges or Rebates) Act 1979].]

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(3) If the operator of a bus service fails without reasonable excuse (the proof whereof shall be on him) to comply with a condition imposed on him as mentioned in subsection (1) of this section—

- (a) requiring the compiling, preservation or production of running sheets, accounts or other records relating to the operation of the service; or
- (b) requiring facilities to be afforded for the inspection, removal or copying of such records;

he shall be guilty of an offence and liable on summary conviction to a fine not exceeding [^{F26}level 3 on the standard scale].

(4) If any person—

- (a) knowingly or recklessly makes any false statement for the purpose of obtaining the payment to himself or another of any sum under this section; or
- (b) wilfully makes a false entry in any running sheet, account or other record which is or may be required to be produced in pursuance of any condition such as is mentioned in subsection (1) of this section or, with intent to deceive, makes use for the purposes of this section of any such record which he knows to be false;

he shall be guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding three months or a fine not exceeding £100 or both, or on conviction on indictment to imprisonment for a term not exceeding two years or a fine or both.

(5) Where an offence under this section which has been committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, he as well as the body corporate shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(6) No proceedings for an offence under this section shall be instituted in England and Wales except by or with the consent of the Minister of Transport or the Director of Public Prosecutions.

(7) [^{F27}Section 127(1) of the ^{M5}Magistrates' Courts Act 1980] and [^{F28}section 331 of the ^{M6}Criminal Procedure (Scotland) Act 1975] (summary proceedings to be commenced within six months from commission of offence) shall apply to offences under this section with the substitution of a reference to three years for each reference to six months:

Provided that this subsection shall not enable an information to be tried in England and Wales or proceedings to be heard in Scotland where the information was laid or the proceedings were commenced more than twelve months after evidence sufficient in the opinion of the appropriate authority to justify them came to his knowledge; and for this purpose a certificate of the appropriate authority as to the date on which such evidence came to his knowledge shall be conclusive evidence.

In this subsection “the appropriate authority” means the Minister of Transport, or in the case of proceedings which are brought by or with the consent of the Director of Public Prosecutions or, in Scotland, are not preceded by a report of the facts made by the Minister of Transport to the Lord Advocate, means the Director of Public Prosecutions or the Lord Advocate as the case may be.

[^{F29}(8) In this section—

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“bus service” means a local service within the meaning of the Transport Act 1985 other than an excursion or tour within the meaning of that Act, being a service which is either—

- (a) registered under Part I of that Act; or
- (b) provided under a London local service licence granted under Part II of that Act or exempt by virtue of section 36 of that Act (London bus services under control of London Regional Transport) from the requirement of a London local service licence;

“operator” has the same meaning, in relation to a bus service, as in that Act; and

“specified” means specified in regulations made by the Secretary of State by statutory instrument.

(8A) Any statutory instrument containing regulations made under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.]

(9) The foregoing provisions of this section shall not extend to Northern Ireland, . . . ^{F30}

Textual Amendments

- F20** Words substituted by virtue of S.I. 1981/238, **arts. 2(2), 3(2)-(4)**
- F21** Words repealed by Transport Act 1985 (c. 67, SIF 126), **ss. 110(1)(a), 139(3)**, Sch. 8
- F22** Words inserted by Transport Act 1985 (c. 67, SIF 126), **s. 110(1)(b)**
- F23** Words substituted by Finance Act 1974 (c. 30), **s. 54** in relation to fuel used in operating any bus service on or after 12, 2, 1974
- F24** Words substituted by virtue of Finance Act 1981 (c. 35, SIF 40:1), **s. 4(2)(b)(3)** (*retrospectively* as mentioned in s. 4(3))
- F25** Words substituted by Excise Duties (Surcharges or Rebates) Act 1979 (c. 8), **Sch. 1 para. 2.**
- F26** Words substituted by virtue of (E.W.) Criminal Justice Act 1982 (c. 48, SIF 39:1), **ss. 38, 46** and (S.) Criminal Procedure (Scotland) Act 1975 (c. 21, SIF 39:1), **ss. 289F, 289G** and (N.I.) by S.I. 1984/703, (N.I. 3) arts. 5, 6.
- F27** Words substituted by Magistrates' Courts Act 1980 (c. 43, SIF 82), s. 155(7), **Sch. 7 para. 53**
- F28** Words substituted by virtue of Criminal Procedure (Scotland) Act 1975 (c. 21), **s. 460(1)(b)**
- F29** S. 92(8)(8A) substituted for s. 92(8) by Transport Act 1985 (c. 67, SIF 126), **s. 110(2)**
- F30** Words repealed by Northern Ireland Constitution Act 1973 (c. 36), **Sch. 3 para. 8**

Modifications etc. (not altering text)

- C4** References to the Minister of Transport are to be construed as references to the Secretary of State: S.I. 1981/238, **arts. 2(2), 3(4)**
- C5** S. 92: transfer of functions (W.) (1.7.1999) by S.I. 1999/672, art. 2, **Sch. 1**

Marginal Citations

- M3** 1964 c. 92.
- M4** 1979 c. 8.
- M5** 1980 c. 43.
- M6** 1975 c. 21.

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Textual Amendments

F31 S. 93 repealed by [Housing \(Consequential Provisions\) Act 1985 \(c. 71\), s. 3, Sch. 1 Pts. I, II](#)

94 **F32**

Textual Amendments

F32 S. 94 repealed with savings by [Capital Gains Tax Act 1979 \(c. 14, SIF 63:2\), ss. 157, 158, Sch. 8](#)

95 **F33**

Textual Amendments

F33 S. 95 repealed by [Finance Act 1967 \(c. 54\), s. 45\(8\), Sch. 16 Pt. X](#)

96 **F34**

Textual Amendments

F34 S. 96 repealed by [Income and Corporation Taxes Act 1970 \(c. 10\), ss. 538\(1\), 539\(1\), Sch. 16](#)

97 Short title, construction, extent and repeal.

(1) This Act may be cited as the Finance Act 1965.

(2) **F35**

(3) Any reference in this Act to any other enactment shall, except so far as the context otherwise requires, be construed as a reference to that enactment as amended or applied by or under any other enactment, including this Act.

(4) Save as otherwise expressly provided, such of the provisions of this Act as relate to matters in respect of which the Parliament of Northern Ireland has power to make laws shall not extend to Northern Ireland.

(5) The enactments mentioned in Schedule 22 to this Act are hereby repealed to the extent mentioned in the third column of that Schedule, but subject to any provision in relation thereto made at the end of any part of that Schedule; and any such provision as to the date of operation of a repeal shall be without prejudice to any provision of this Act providing that any of the provisions repealed are to cease to have effect at an earlier date for all purposes or for certain specified purposes.

Textual Amendments

F35 S. 97(2) repealed by [Income and Corporation Taxes Act 1970 \(c. 10\), ss. 538\(1\), 539\(1\), Sch. 16](#)

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Modifications etc. (not altering text)

- C6** The text of s. 97(5) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991

Status:

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Changes to legislation:

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