



Finance Act 1972

1972 CHAPTER 41

An Act to grant certain duties, to alter other duties, and to amend the law relating to the National Debt and the Public Revenue, and to make further provision in connection with Finance. [27th July 1972]

Editorial Information

- X1** The text of ss. 128, 134(4) was taken from from SIF Group 107:2 (Road Traffic: Vehicle Excise Duty), ss. 1-52, 127, 134(1)(4)(5), Schs 1-7 from SIF group 40:2 (Customs and Excise: Value Added Tax and Car Tax), ss. 62-119, 123, 124, 127, 129-131, 134(1)-(3)(b)(4)-(7), Schs. 9-25, 28 from SIF Group 63:1 (Income, Corporation and Capital Gains Taxes), and ss. 125, 126, 130, 132, 133, 134(1)(4)-(7), Sch 28 from SIF Group 99:3 (Public Finance and Economic Controls: National Debt). Provisions omitted from SIF have been dealt with as referred to in other commentary.
- X2** General amendments to Tax Acts, Income Tax Acts, and/or Corporation Tax Acts made by legislation after 1.2.1991 are noted against [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#) but not against each Act

Modifications etc. (not altering text)

- C1** Words of enactment omitted under authority of [Statute Law Revision Act 1948 \(c. 62\), s. 3](#)
- C2** General amendments etc. to Tax Acts (or Income Tax Acts or Corporation Tax Acts as the case may be) made by [Taxes Management Act 1970 \(c.9, SIF 63:1\), s. 41A\(7\)](#) (as added by [Finance Act 1990 \(c. 29, SIF 63:1\), s. 95\(1\)\(2\)](#), [British Telecommunications Act 1981 \(c. 38, SIF 96\), s. 82\(2\)\(7\)](#); [Telecommunications Act 1984 \(c. 12, SIF 96\), s. 72\(3\)](#); [Finance Act 1984 \(c. 43, SIF 63:1\), ss. 82\(6\), 85\(2\), 89\(1\)\(7\), 96\(1\)\(7\), Sch. 9 para 3\(2\)\(9\), Sch. 16 paras. 6, 12](#) and [Finance Act 1985 \(c. 54, SIF 63:1\), ss. 72\(1\), 74\(5\), Sch 23 para. 15\(4\)](#), S.I. 1987/530, regs. 11(2), 13(1), 14, [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\), ss. 4, 6, 7, 9, 32, 34, 78, 134, 135, 141, 142, 185, 191, 193, 194, 195, 200, 203, 209, 212, 213, 219, 247, 253, 272, 287, 314, 315, 317, 318, 325, 326, 327, 345, 350, 351, 368, 375, 381, 397, 414, 432, 440, 442, 446, 458, 460, 461, 463, 463\(2\)\(3\)](#) (as added by [Finance Act 1990 \(c. 29, SIF 63:1\), s. 50\(2\)](#)), 468, 474, 475, 486, 490, 491, 503, 511, 518, 524, 532, 544, 550, 556, 558, 569, 572, 582, 595, 601, 613, 617, 619, 621, 639, 656, 660, 663, 676, 689, 691, 694, 700, 701, 714, 716, 739, 743, 754, 763, 776, 780, 781, 782, 787, 789, 811, 828, 829, 832, 833, 834, 835, 837, 838, 839, 840, 841, 842, Sch. 2 para. 5, Sch. 4 para. 5, Sch. 13 para. 10, Sch. 16 para. 10, Sch. 21 para. 6, Sch. 26 para. 1, Sch. 27 para. 20, [Finance Act 1988 \(c. 39, SIF 63:1\), ss. 66, 127\(1\)\(6\), Sch. 12 para. 6](#), [Capital Allowances Act 1990 \(c. 1, SIF 63:1\), ss. 28\(1\), 68\(8\), 74, 82, 83\(5\), 148\(5\), 163\(4\), 164\(2\)](#), S.I. 1990/627 and [Finance Act 1990 \(c. 29, SIF 63:1\), s. 25\(10\)](#)

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

Commencement Information

II Act partly in force at Royal Assent, partly retrospective, partly prospective, see individual sections. All provisions so far as unrepealed wholly in force at 1.2.1991

PART I

1—51. ^{F1}

Textual Amendments

F1 Ss. 1–51 repealed by [Value Added Tax Act 1983 \(c. 55\)](#), [Sch 11](#)

PART II

CAR TAX AND PURCHASE TAX

52 ^{F2}

Textual Amendments

F2 S. 52 repealed by [Car Tax Act 1983 \(c. 53\)](#), [Sch 3](#)

53, 54. ^{F3}

Textual Amendments

F3 Ss. 53, 54 repealed by [Statute Law \(Repeals\) Act 1986 \(c. 12\)](#), [s. 1\(1\) Sch. 1 Pt. III](#)

55 Amendments consequential on replacement of purchase tax.

(1) In section 14(2) of the ^{M1}Crown Proceedings Act 1947 (summary applications to High Court for payment of purchase tax and furnishing of information relating thereto) and in section 14 of that Act as it applies in Northern Ireland for the words “purchase tax” in paragraphs (c) and (d) there shall be substituted the words “value added tax”; but without prejudice to the operation of that section as originally enacted (or of the section substituted for Northern Ireland) with respect to purchase tax becoming due before the coming into force of this section or with respect to so much of the enactments relating to purchase tax as remains in force thereafter.

(2) ^{F4}

(4) ^{F5}

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

(5) In section 9 of the ^{M2} International Organisations Act 1968 for the words “or of purchase tax” there shall be substituted the words “value added tax or car tax” and in paragraph 7 of Schedule 1 to that Act for the words “purchase tax paid on any goods” there shall be substituted the words “car tax paid on any vehicles and value added tax paid on the supply of any goods or services”; but without prejudice to the operation of that section or paragraph as originally enacted with respect to purchase tax becoming due before the coming into force of this section.

^{F6}(6)

(7) This section shall come into force on 1st April 1973.

Textual Amendments

- F4** S. 55(2)(3) repealed by [Customs and Excise Duties \(General Reliefs\) Act 1979 \(c. 3\)](#), s. 19(2), **Sch. 3 Pt. I**
- F5** S. 55(4) repealed by [Customs and Excise Management Act 1979 \(c. 2\)](#), s. 177(3), **Sch. 6 Pt. I**
- F6** S. 55(6) repealed (1.9.1994) by [1994 c. 22](#), ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))

Modifications etc. (not altering text)

- C3** The text of ss. 55(1)(5)(6)(7), 128(2)(3) 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.

Marginal Citations

- M1** [1947 c. 44](#).
- M2** [1968 c. 48](#).

PART III

56 ^{F7}

Textual Amendments

- F7** S. 56 repealed by [Finance Act 1973 \(c. 51\)](#), s. 59(7), **Sch. 22 Pt. I**

57 ^{F8}

Textual Amendments

- F8** S. 57 repealed by [Finance \(No. 2\) Act 1975 \(c. 45\)](#), s. 75(5), **Sch. 14 Pt. I** and the [Alcoholic Liquor Duties Act 1979 \(c. 4\)](#), s. 92(2), **Sch. 4 Pt. I**

58 ^{F9}

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

Textual Amendments

F9 S. 58 repealed with savings by [Betting and Gaming Duties Act 1981 \(c. 63\)](#) s. 34(1)(2), Sch. 6 para. 3 Sch. 7

59 **F10**

Textual Amendments

F10 S. 59 repealed by [Finance \(No. 2\) Act 1975 \(c. 45\)](#), s. 75(5), **Sch. 14 Pt. II**

60, 61. **F11**

Textual Amendments

F11 Ss. 60, 61 repealed by [Finance Act 1973 \(c. 51\)](#), s. 59(7), **Sch. 22 Pt. I**

PART IV

INCOME TAX AND CORPORATION TAX

62— **F12**
66.

Textual Amendments

F12 Ss. 62–66 repealed by [Income and Corporation Taxes Act 1988 \(c. 1\)](#) s.844, Sch. 31. See 1987 edition for these provisions.

67— **F13**
69.

Textual Amendments

F13 Ss. 67–69 repealed by [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#), ss. 82, 164(4)(5), **Sch. 2**

70— **F14**
77.

Textual Amendments

F14 Ss. 70–77 repealed by [Income and Corporation Taxes Act 1988 \(c. 1\)](#) s.844, Sch. 31. See 1987 edition for these provisions. And see [Finance Act 1988 \(c. 39, SIF 63:1, 2\)](#), **Sch. 6 para. 3** in connection with

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relief for interest under s. 75—abolition of Schedule Delection for commercial woodlands from 15 March 1988.

78 F15

Textual Amendments

F15 S. 78 repealed by Finance Act 1974 (c. 30), s. 20(1), 57(6), Sch. 14 Part. II except where the right referred to was exercised before 27 March 1974

79— F16
83.

Textual Amendments

F16 Ss. 79–95 repealed by Income and Corporation Taxes Act 1988 (c. 1), s. 844, Sch. 31. See 1987 edition for these provisions. And see—Finance Act 1988 (c. 39, SIF 63:1, 2), s. 88—amendment to s. 79 (share incentive schemes) reacquisitions of shares made on or after 26 October 1987. Finance Act 1988 (c. 39, SIF 63:1, 2), s. 61—amendment to s. 87 (income tax on distributions) for years 1986-87 and 1987-88. Finance Act 1988 (c. 39 SIF 63: 1, 2), s. 117(2)—cancellation of repeal of s. 93(6) (investment trust) by Finance (No. 2) Act 1987.

PART V

TAXATION OF COMPANIES AND COMPANY DISTRIBUTIONS

84— F17
95.

Textual Amendments

F17 Ss. 79–95 repealed by Income and Corporation Taxes Act 1988 (c. 1), s. 844, Sch. 31. See 1987 edition for these provisions. And see—Finance Act 1988 (c. 39, SIF 63:1, 2), s. 88—amendment to s. 79 (share incentive schemes) reacquisitions of shares made on or after 26 October 1987. Finance Act 1988 (c. 39, SIF 63:1, 2), s. 61—amendment to s. 87 (income tax on distributions) for years 1986-87 and 1987-88. Finance Act 1988 (c. 39 SIF 63: 1, 2), s. 117(2)—cancellation of repeal of s. 93(6) (investment trust) by Finance (No. 2) Act 1987.

[^{F18}96 Mitigation of corporation tax liability of industrial and provident societies, housing associations and building societies.

- (1) Where in any accounting period of a body to which this section applies the rate of corporation tax exceeds such special rate as Parliament may fix for the purposes of this section, [^{F19}the body may claim that] the corporation tax charged on the income of that body for that period shall be calculated as if the rate of corporation tax were equal to that special rate.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

- (2) The bodies to which this section applies are—
- (a) any registered industrial and provident society as defined in section 340 of the Taxes Act and any such co-operative association as is mentioned in subsection (8) of that section;
 - (b) any housing association for the time being approved for the purposes of section 341 of that Act;
 - (c) any building society as defined in section 343 of that Act and any company to which that section applies by virtue of subsection (9) of that section.
- not being a society, association or company under the control (within the meaning of section 302 of that Act) of one or more companies which are not themselves bodies to which this section applies.
- (3) For the purposes of this section the income of a company for an accounting period is its income charged to corporation tax for that period as defined in section 85(6) above [^{F20}as originally enacted].]

Textual Amendments

- F18** S. 96 repealed by Finance Act 1984 ss. 20(3), 128(6), Sch. 23 Part V for the financial year 1985 et seq.
- F19** Words inserted by Finance Act 1973 (c. 51), s. 34, Sch. 14 paras. 1, 3
- F20** Words added by Finance Act 1974 (c. 30), s. 44, Sch. 7 para. 3(2). Repealed by Finance Act 1985 s. 98(6), Sch. 27 Part X in respect of disposals taking place on or after 19 March 1985.

Modifications etc. (not altering text)

- C4** See Finance Act 1984 s. 20(4) for apportionment where s. 96 applies to part of an accounting period of a body but not to the other part by virtue of Finance Act 1984 s. 20(3)
- C5** See Finance Act 1973 s. 34, Sch. 14 paras. 1, 4— inspector's powers under Finance Act 1972 Sch. 16 para. 19 may be exercised for purposes of ss. 95, 96

97— ^{F21}
110.

Textual Amendments

- F21** Ss. 97–110 repealed by Income and Corporation Taxes Act 1988 (c. 1) s. 844, Sch. 31. See 1987 edition for these provisions.

111 Consequential amendments.

- (1) The enactments specified in Schedule 24 to this Act shall have effect with the amendments there specified, being amendments adapting and supplementing those enactments in consequence of the provisions of this Part of this Act.
- (2) ^{F22}
- (3) This section has effect from 6th April 1973 and does not affect the operation of any enactment in relation to any previous time ; and no amendment in the said Schedule 24 adapting an enactment so as to make it apply or refer to a provision of this Act instead of a provision repealed thereby shall be construed as affecting the operation of that

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enactment in relation to the repealed provision so far as concerns matters occurring before the repeal or otherwise unaffected by it.

Textual Amendments

F22 S. 111(2) repealed by [Income and Corporation Taxes Act 1988 \(c. 1\)](#) s. 844, Sch. 31.

PART VI

TAX ON CAPITAL GAINS AND ESTATE DUTY

112— **F23**
119.

Textual Amendments

F23 Ss. 112–119 repealed (with savings) by [Capital Gains Tax Act 1979 \(c. 14\)](#), ss. 157(1), 158, **Sch. 6 paras. 10(2)(b), 27**, Sch. 8

120 **F24**

Textual Amendments

F24 S. 120 repealed (with savings) by [Finance Act 1975 \(c. 7\)](#), ss. 50, 52(2)(3), 59, **Sch. 13 Pt I**

121 **F25**

Textual Amendments

F25 S. 121 repealed (with savings) by [Finance Act 1975 \(c. 7\)](#), ss. 49(1), 50, 52(2)(3), 59, Sch. 11 Pt. I para. 2(1), **Sch. 13 Pt. I**

PART VII

MISCELLANEOUS

122 **F26**

Textual Amendments

F26 S. 122 repealed by [Statute Law \(Repeals\) Act 1986 \(c. 12\)](#), s. 1(1), **Sch. 1 Pt. III**

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

123 F27

Textual Amendments
F27 S. 123 repealed by Finance Act 1974 ss. 28(2), 57(6), Sch. 14 Part VI

124 F28

Textual Amendments
F28 S. 124 repealed by Income and Corporation Taxes Act 1988 (c. 1) s. 844, Sch. 31. See 1987 edition for these provisions

125 F29

Textual Amendments
F29 S. 125 repealed by Finance Act 1980 (c. 48, SIF 63:1), s. 122(4), Sch. 20 Pt. XII

^{F30}**126**

Textual Amendments
F30 S. 126 repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. V(2) notes 1, 2 of the amending Act) by 1999 c. 16, s. 139, Sch. 20 Pt. V(2)

^{F31}**127 Disclosure of information between revenue departments.**

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Textual Amendments
F31 S. 127 repealed (18.4.2005) by Commissioners for Revenue and Customs Act 2005 (c. 11), s. 53(1), Sch. 4 para. 16, Sch. 5; S.I. 2005/1126, art. 2(2)(h)(i)

128 Vehicle excise duty— disabled persons

- (1) F32
- ^{F33}(2)
- ^{F34}(3)

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

Textual Amendments

- F32** S. 128(1) repealed by Finance Act 1978 (c. 42), s. 80(5), **Sch. 13 Pt. I**
- F33** S. 128(2) repealed (13.10.1993) by Finance (No.2) Act 1992 (c.48), s. 82, **Sch. 18 Pt. IV**; S.I. 1993/2272, **art. 2**
- F34** S. 128(3) repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))

F35 129

Textual Amendments

- F35** S. 129 repealed (1.9.1994) by S.I. 1994/1813, reg. 2(2), **Sch. 2 Pt. I**

F36 130 Compensation for loss of office etc. by clerks to General Commissioners.

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Textual Amendments

- F36** S. 130 repealed (1.4.2009) by Tribunals, Courts and Enforcement Act 2007 (c. 15), s. 148, **Sch. 23 Pt. 1**; S.I. 2008/2696, art. 6(c)

131 Post-war credits.

- (1) On the repayment of any post-war credit, or payment to a building society of any amount outstanding under section 3 of the ^{M3}Income Tax (Repayment of Post-War Credits) Act 1959, the sum payable, inclusive of the interest, may be taken by the Commissioners of Inland Revenue as amounting to 138 per cent. of the credit as notified under section 7 of the ^{M4}Finance Act 1941 or of the amount so outstanding, as the case may be.
- (2) An application for such repayment made before the applicant is qualified may, if he later becomes qualified, be treated as made on the date when he does so.
- (3) No such repayment shall be made unless application therefor is made before such time (not earlier than the beginning of the year 1974) as the Treasury may by order direct.

Any order under this subsection shall be made by statutory instrument, which shall be laid before Parliament after being made, and may be varied by a subsequent order so as to extend the time for applications for repayment.

[^{F37}(3A) An order under subsection (3) above may make different provision for different cases or classes of case and may provide that no amount shall be ascertained, recorded or notified under section 7 of the ^{M5}Finance Act 1941 after any such time as may be specified in the order.]

- (4) In this section “post-war credit” has the same meaning as in the ^{M6}Income Tax (Repayment of Post-War Credits) Act 1959.
- (5) This section shall be deemed to have had effect from the beginning of April 1972.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

Textual Amendments

F37 S. 131(3A) inserted by Finance Act 1976 (c. 40), s. 59

Modifications etc. (not altering text)

C6 The text of s. 131 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and, except as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Marginal Citations

- M3** 1959 c. 28.
- M4** 1941 c. 30.
- M5** 1941 c. 30.
- M6** 1959 c. 28.

132 **F38**

Textual Amendments

F38 S. 132 repealed by Finance Act 1984 (c. 43, SIF 99:3), s. 128(6), Sch. 23 Pt. XIV

133 **F39**

Textual Amendments

F39 S. 133 repealed by Trustee Savings Banks Act 1981 (c. 65, SIF 110), s. 55(3), Sch. 8

134 Citation, interpretation, construction, extent and repeals.

- (1) This Act may be cited as the Finance Act 1972.
- (2) In this Act “the Taxes Act” means the Income and Corporation Taxes Act [^{F40}1988].
- (3) In this Act—
 - (a) **F41**
 - (b) Parts IV and V, so far as they relate to income tax, shall be construed as one with the Income Tax Acts and, so far as they relate to corporation tax, shall be construed as one with the Corporation Tax Acts;
 - (c) **F42**
 - (d) **F43**
- (4) Except so far as the context otherwise requires, any reference in this Act to any enactment shall be construed as a reference to that enactment as amended, and as including a reference to that enactment as applied, by or under any other enactment, including this Act.

^{F44}(5)

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

- (6) If the Parliament of Northern Ireland passes provisions amending or replacing any enactment of that Parliament referred to in this Act the reference shall be construed as a reference to the enactment as so amended or, as the case may be, as a reference to those provisions.
- (7) The enactments mentioned in Schedule 28 to this Act are hereby repealed to the extent mentioned in the third column of that Schedule, but subject to any provision at the end of any Part of that Schedule.

Textual Amendments

- F40** “1988” substituted by [Income and Corporation Taxes Act 1988 \(c. 1\) Sch. 29 para. 32](#)
- F41** [S. 134\(a\)](#) repealed by [Customs and Excise Management Act 1979 \(c. 2\), s. 177\(3\)](#), [Sch. 6 Pt. I](#)
- F42** [S. 134\(3\)\(c\)](#) repealed by [Capital Gains Tax Act 1979 \(c. 14, SIF 63:2\) s. 158, Sch. 8 for 1979–80 et seq.](#)
- F43** [S. 134\(d\)](#) repealed by [Finance Act 1975 \(c. 7\), ss. 50, 52\(2\)\(3\)](#), [Sch. 13 Pt. I](#)
- F44** [S. 134\(5\)](#) repealed (1.1.1992) by [Finance Act 1991 \(c. 31, SIF 12:2\), s. 123, Sch. 19, Pt. VIII](#)

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

^{F45}F45 SCHEDULES 1—6

Textual Amendments

F45 Schs. 1—6 repealed by Value Added Tax Act 1983 (c. 55), **Sch 11**

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F45

^{F46}F46 SCHEDULE 7

Textual Amendments

F46 Sch. 7 repealed by Car Tax Act 1983 (c. 53), **Sch. 3**

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F46

^{F47}F47 SCHEDULE 8

Textual Amendments

F47 Sch. 8 repealed by Finance Act 1973 (c. 51), s. 59(7), **Sch. 22 Pt. I**

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F47

^{F48}F48 SCHEDULES 9—23

Textual Amendments

F48 Schs. 9—23 repealed by Income and Corporation Taxes Act 1988 (c. 1) s. 844, Sch. 31.

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F48

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

SCHEDULE 24

Section 111.

TAXATION OF COMPANIES AND COMPANY DISTRIBUTIONS: CONSEQUENTIAL AMENDMENTS

Modifications etc. (not altering text)

- C7** The text of Schedule 24 is substantially in the form in which it was originally enacted: it was not reproduced in full in Statutes in Force and, except as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Finance Act 1965

- 1, 2. **F49**

Textual Amendments

- F49** Sch. 24 paras. 1, 2 repealed by [Capital Gains Tax Act 1979 \(c. 14, SIF 63:1\)](#) s. 158, Sch. 8

Provisional Collection of Taxes Act 1968 (c. 2)

- 3 In section 5 of the Provisional Collection of Taxes Act 1968 in subsection (1)(c) after the words “section 243(6) of the Income and Corporation Taxes Act 1970” there shall be inserted the words “or advance corporation tax could be payable or assessed by virtue of section 103(2) of the Finance Act 1972”, and in subsection (2) of that section after the word “Act)” there shall be inserted the words “and the said section 103(2) of the Finance Act 1972”.

Taxes Management Act 1970

- 4 **F50**

Textual Amendments

- F50** Sch. 24 para. 4 repealed by [Finance Act 1990 \(c. 29, SIF 63:1\)](#), s. 132, [Sch. 19 Pt. V](#), Note 2

- 5 In section 11 of the Management Act, after subsection (5) there shall be added—
“(6) A notice under this section may require the inclusion in the return of particulars of advance corporation tax paid by the company (and not repaid) and of any surplus advance corporation tax carried forward under section 85(4) of the Finance Act 1972.”

- 6 **F51**

Textual Amendments

- F51** Sch. 24 para. 6 repealed by [Finance Act 1989 \(c. 26, SIF 63:1\)](#), s. 187(1), [Sch. 17 Pt. V](#), Note 6

- 7 In section 31(3)(b) of the Management Act the figure “297” (inserted by the Finance Act 1971) shall be omitted and at the end there shall be inserted “or under paragraph 5 of Schedule 16 to the Finance Act 1972”.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

8, 9. . . . F52

Textual Amendments

F52 Sch. 24 paras. 8, 9 repealed by Finance (No. 2) Act 1975 (c. 45) s. 75, Sch. 14 Part III

10 For section 87 of the Management Act there shall be substituted—

“87 Interest on overdue advance corporation tax and income tax on company payments.

(1) Any tax assessable in accordance with Schedule 14 or 20 to the Finance Act 1972 shall carry interest at the prescribed rate from the date when the tax becomes due and payable until payment.

(2) Where—

- (a) advance corporation tax paid in respect of distributions made in any return period is repaid under paragraph 4 of the said Schedule 14 in consequence of the receipt of franked investment income in a later return period; or
- (b) income tax paid in respect of payments made in any return period is repaid or discharged under paragraph 5 of the said Schedule 20 in consequence of the receipt in a later return period of a payment on which income tax is borne by deduction.

the repayment or discharge shall not affect interest under this section on the tax so repaid or discharged for such time as is specified in subsection (3) below but, subject to that, this section shall apply as if any such tax which is repaid or discharged had never become payable.

(3) The time for which interest is not affected is—

- (a) any time before the expiration of fourteen days from the end of the later return period, unless the return for that period is made earlier in those fourteen days; and
- (b) if that return is made earlier in those fourteen days, any time ending before the date on which the return is made.

(4) Interest shall not be payable under this section on the tax charged by any assessment unless the total amount of the interest exceeds [^{F53}£10]

(5) Subsection (4) above shall have effect as if all advance corporation tax due from a company in accordance with paragraph 3(1) of the said Schedule 14 for any return period, whether or not it is actually assessed, were included in a single assessment, and similarly in the case of all income tax due from a company in accordance with paragraph 4(1) of the said Schedule 20 for any return period.

(6) In this section “return period” means a period for which a return is required to be made under the said Schedule 14 or 20.

(7) It is hereby declared that this section applies to advance corporation tax and income tax which, in accordance with either of those Schedules, is paid without the making of any assessment (but is paid after it is due). and that where the tax is charged by an assessment (whether or not any part of it

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has been paid when the assessment is made) this section applies as respects interest running before as well as after the making of the assessment.

[^{F54}(8) Tax assessable as mentioned in subsection (1) above shall carry interest from the date when it becomes due and payable even if that date is a non-business day within the meaning of section 92 of the Bills of Exchange Act 1882.]

Textual Amendments

F53 “£10” substituted by Finance (No. 2) Act 1975 s. 46(3)

F54 S. 87(8) added by virtue of Finance (No. 2) Act 1975 s. 46(3)

- 11 In section 88(2) of the Management Act, for the words “Schedule 9 to the principal Act” there shall be substituted the words “Schedule 14 or 20 to the Finance Act 1972.”
- 12 In section 98 of the Management Act the following shall be added in the first column—
“Paragraph 19 of Schedule 16 and paragraphs 2(b), 3 and 4 of Schedule 21 to the Finance Act 1972”;
and the following shall be added in the second column—
“Schedules 14 and 20, and paragraphs 1 and 2(a) of Schedule 21, to the Finance Act 1972”.
- 13 For section 109 of the Management Act there shall be substituted—

“109 Corporation tax on close company in connection with loans to participators etc.

- (1) The provisions of section 286 of the principal Act (charge of tax in connection with loans by close companies to participators etc.) directing that tax be assessed and recoverable as if it were an amount of corporation tax shall be taken as applying, subject to the provisions of the Taxes Act, and to any necessary modifications, all enactments applying generally to corporation tax, including those relating to the assessing, collecting and receiving of corporation tax, those conferring or regulating a right of appeal and those concerning administration, penalties, interest on unpaid tax and priority of tax in cases of insolvency under the law of any part of the United Kingdom.
- (2) Section 86 of this Act shall apply in relation to tax under the said section 286 as if [^{F55}the date given by the Table in subsection (4) of the said section 86 were the last day of the three months following the end of the financial year in which the loan or advance was made.]
- (3) For the purposes of section 88 of this Act as applied by subsection (1) above, the date when tax charged under the said section 286 ought to have been paid shall be taken to be the first day of the [^{F55}financial year] following that in which the loan or advance was made.
- (4) Section 91 of this Act shall not apply in consequence of any discharge or repayment of tax under section 286(5) of the principal Act.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

(5) For the purposes of the said section 91, a relief from tax under the said section 286 shall not be treated as affecting tax charged by any assessment unless the assessment is to tax under that section.”

Textual Amendments

F55 Words substituted by Finance (No. 2) Act 1975 s. 46(5)

14 In Schedule 3 to the Management Act, in column 1 of rule 8 the words “288 or 289” shall be omitted and at the end there shall be inserted the words “or relating to a notice under paragraph 15 of Schedule 16 to the Finance Act 1972”.

15—33. **F56**

Textual Amendments

F56 Sch. 24 paras. 15–33 repealed by Income and Corporation Taxes Act 1988 (c. 1) s. 844, Sch. 31. See 1987 edition for these provisions.

F57F57 SCHEDULE 25

Textual Amendments

F57 Sch. 25 repealed by Finance Act 1975 (c. 7), s. 59(5), Sch. 13 Part II in relation to disposals after 26 March 1974. See now 1975 (c. 7), Sch. 6 para. 12.

F57

F58F58 SCHEDULE 26

Textual Amendments

F58 Sch. 26 repealed (with savings) by Finance Act 1975 (c. 7), ss. 49(1), 50, 52(2)(3), 59, Sch. 11 para. 2(2), Sch. 13 Pt. I

F58

F59F59 SCHEDULE 27

Textual Amendments

F59 Sch. 27 repealed by Statute Law (Repeals) Act 1986 (c. 12), s. 1(1), Sch. 1 Pt. III

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

F59

SCHEDULE 28

Section 134.

ENACTMENTS REPEALED

Modifications etc. (not altering text)

- C8** The text below of parts of Schedule 28 reproduces the words in which it was originally enacted: it was not reproduced in full in Statutes in Force and except, as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

PARTS I AND II. F60

Textual Amendments

- F60** Sch. 28 Pts. I, II, VIII and IX repealed by Statute Law (Repeals) Act 1986 (c. 12), s. 1(1), Sch. 1 Pt. III

PART III

SPIRITS AND MECHANICAL LIGHTERS

Chapter	Short Title	Extent of Repeal
12, 13 & 14 Geo. 6 c. 47.	The Finance Act 1949.	Section 8(1).
1969 c. 32.	The Finance Act 1969.	In section 1(2), paragraph (a) and in the words following the paragraphs, the word “1”.
		Schedule 1.

These repeals take effect on 8th August 1972.

PART IV

OCCUPATIONAL PENSION SCHEMES

Chapter	Short Title	Extent of Repeal
61 & 62 Vict. c. 44	The Merchant Shipping (Mercantile Marine Fund) Act 1898.	Section 1A(2).
10 Edw. 7 & 1 Geo. 5. c. 7.	The Development and Road Improvement Fund Act 1910.	Section 2(3).

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

10 & 11 Geo. 6. No. 2.	The Church Commissioners Measure 1947.	Section 17(3).
10 & 11 Eliz. 2. c. 46.	The Transport Act 1962.	In Schedule 10, in paragraph 8(1A), the words from “and also” to “1972”.
1967 c. 10.	The Forestry Act 1967.	In Schedule 1, in paragraph 9(2)(b), the words from “and also” to “1972”.
1969 c. 50.	The Trustee Savings Bank Act 1969.	In section 82(3), the words following paragraph (e).
1970 c.10	The Income and Corporation Taxes Act 1970.	In section 20(1), the words “210”.
		Section 210.
1970 c.24	The Finance Act 1970.	Section 22(3).
		In section 17(1), subsection (2) of the section set out therein.
		In Schedule 6, in paragraph 4 subsection (3) of the section partly set out therein; in paragraph 13, subsection (2) of the section set out therein; paragraph 22; in paragraph 41 the words from “and also” to “1972”; in paragraph 60(b) the words from “and also” to “1972”.

These repeals take effect on 6th April 1973.

PART V

INTEREST RELIEF

Chapter	Short Title	Extent of Repeal
1970 c.10	The Income and Corporation Taxes Act 1970.	Sections 57 to 64A.
		In section 122(1), paragraph (c) and the word “and” preceding it.
		Section 190.
		Section 248(6).
		In section 296(2) the words “not being interest”.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

		Section 300.
		Section 440.
		In section 455, in paragraph (a), the words “excluding all payments of interest” and, in paragraph (b), the words “subject to section 456 below”.
		Section 456.
		Section 469(6).
		In section 496, subsections (3) to (7).
		In Part III of Schedule 12, paragraph 2(1)(c) and the word “and” preceding it.
		In Schedule 14, in paragraph 5 the words “section 57(10) and” and paragraph 10.
1970 c.24	The Finance Act 1970.	Section 17.
		In Schedule 4, paragraph 9, except sub-paragraph (6).
1971 c.68	The Finance Act 1971.	In Schedule 6, paragraphs 23, 44, 60 and 66.
		In Schedule 8, paragraph 16(4) and, in paragraph 16(5), the words “190(1)”.

These repeals have effect in relation to interest paid and payable on or after 6th April 1972.

PART VI

TAXATION OF COMPANIES AND COMPANY DISTRIBUTIONS

Chapter	Short Title	Extent of Repeal
1965 c.25	The Finance Act 1965.	In section 84, subsections (2) (a), (3)(b) and (4).
1966 c.18	The Finance Act 1966.	Sections 31 and 32. Schedule 9.
1968 c.44	The Finance Act 1968.	In section 32(6) the words “or a rate fluctuating in accordance with the basic rate of income tax”.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

1970 c.9	The Taxes Management Act 1970.	<p>In section 31(3)(b) the figure “297”.</p> <p>In section 98, in the Table, the words “section 301” and “Company tax regulations”.</p> <p>In Schedule 3, in paragraph 8 the words “288 or 289”.</p>
1970 c.10	The Income and Corporation Taxes Act 1970.	<p>In section 27(4) the words from “or under section 31” to “non-residents”.</p> <p>Section 232(2) and (3).</p> <p>In section 234, in subsection (1)(b) the words “not being redeemable share capital” and in subsection (3) the words “or fluctuates only with the basic rate of income tax”.</p> <p>Section 236.</p> <p>In section 240, subsections (1) to (3), in subsection (5) the words “(not being franked investment income)” except as respects franked investment income arising before 6th April 1973, subsection (6) and in subsection (7) the words “distributions or” and the words from “and nothing” onwards.</p> <p>Section 240A.</p> <p>Section 284(1)(a) and (b).</p> <p>In section 286 subsection (6) and in subsection (7) the words “the grossed up equivalent of”.</p> <p>Sections 288 to 301.</p> <p>In section 302(1), the words “other than section 290 above”.</p> <p>Section 303(5)(b).</p> <p>In section 305(2) the words “income tax and”.</p>

Changes to legislation: *There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)*

In section 310, subsection (3) and in subsection (4) the words from the beginning to “company, and”.

Section 311.

In section 314, in subsection (1) the words “income tax and”, subsection (3)(b) and (c) and, in subsection (4), the words from “If an accounting period” to “accounting periods, and”, and the words “or part of an accounting period”.

In section 322(3) the proviso.

In section 345(2), paragraph (b) and, in paragraph (c), the words “of income tax deductions”.

Section 356.

Section 499.

Section 517(2).

521(3)(a).

In section 522 the words “or share” wherever they occur and the words “In this section “share” includes stock”.

In section 526(5), in the definition of “ordinary share capital” the words “or a rate fluctuating in accordance with the basic rate of income tax” and in the definition of “preference dividend” the word “gross” (three times) and the words from “but it does not include” onwards.

Schedule 9.

In Schedule 14, paragraph 19(1), in paragraph 23(3), the words from the beginning to “256 of this Act, and”, and paragraph 23(4) except for years of assessment before the year 1973-74.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

1970 c.24.	The Finance Act 1970.	In Schedule 4, paragraphs 1 to 5. In Schedule 8, in Part VI, the entries relating to section 240(6) of, and Schedule 9 to, the Income and Corporation Taxes Act 1970.
1971 c.68.	The Finance Act 1971.	Section 25(1), (2), (3), and (4)(a). In Schedule 6, paragraphs 27 to 29, 31(a), 33 to 38, 77, 84(a), 85(b) and 92.

NOTES:

1. Subject to the following paragraphs, these repeals take effect on 6th April 1973 and do not affect the operation of any enactment in relation to any previous time.
2. The repeal of section 84(4) of the Finance Act 1965 has effect in relation to the year 1972-73 and subsequent years of assessment.
3. The repeals in the Finance Act 1968, in sections 234(3) and 526(5) of the Income and Corporation Taxes Act 1970 and of paragraphs 28, 77 and 92 of Schedule 6 to the Finance Act 1971 do not apply in relation to dividends payable before 6th April 1973.
4. The repeal of sections 289 to 301 of the said Act of 1970, the repeal in section 302(1) of that Act and the repeal of section 25(1), (2), (3) and (4)(a) of, and paragraphs 34 to 37 and 84(a) and 85(b) of Schedule 6 to, the Finance Act 1971 have effect in relation to accounting periods ending after 5th April 1973; and the repeal of the said section 289 has effect subject to paragraph 19 of Schedule 23 to this Act.
5. The repeal of section 356 of the said Act of 1970 takes effect on 1st April 1972, and the repeal of that section and of section 311 of that Act have effect subject to section 93(7) of this Act.
6. The repeal of the proviso to section 322(3) of the said Act of 1970 takes effect of 1st April 1974 and does not affect disposals before that date.
7. the repeal of section 499 of the said Act of 1970 takes effect on 1st April 1973.

PART VII

ESTATE DUTY

Chapter	Short Title	Extent of Repeal
21 & 22 Geo. 5. c. 28.	The Finance Act 1931.	In section 40, subsections (1) (a) and (2).
1 Edw. 8 and 1 Geo. 6. c. 54.	The Finance Act 1937.	Section 31.
12, 13 & 14 Geo. 6. c. 47.	The Finance Act 1949.	Section 31.
14 & 15 Geo. 6. c. 43.	The Finance Act 1951.	Section 33(1).

The repeal of these enactments has effect in relation to deaths occurring after 21st March 1972 and does not extend to them as applied by section 33(2) of the Finance Act 1951.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

PARTS VIII AND IX..... F61

Textual Amendments

F61 Sch. 28 Pts. I, II, VIII and IX repealed by Statute Law (Repeals) Act 1986 (c. 12), s. 1(1), **Sch. 1 Pt. III**

PART X

UNIT TRUSTS, INVESTMENT TRUSTS AND FUNDS IN COURT

Chapter	Short Title	Extent of Repeal
1965 c. 25.	The Finance Act 1965.	Section 37(1). In section 38(2), the words from “and section 37” onwards. Section 94(2).
1970 c.10.	The Income and Corporation Taxes Act 1970.	Section 357.

These repeals do not effect disposals before 6th April 1972.

PART XI

STAMP DUTY REPEALS

Chapter	Short Title	Extent of Repeal
55 Geo. 3. c. 184.	The Stamp Act 1815.	Sections 24, 27, and 28. In the Schedule, Part I so far as unrepealed.
7 & 8 Vict. c. 32.	The Bank Charter Act 1844.	Section 7.
16 & 17 Vict. c. 63.	The Bankers’ Composition (Scotland) Act 1853.	Section 7.
17 & 18 Vict. c. 83.	The Stamp Act 1854	Section 12.
54 & 55 Vict. c. 39.	The Stamp Act 1891.	Sections 29, 30 and 31. In Schedule 1 the heading “BAK NOTE”.
18 & 19 Geo. 5. c. 13.	The Currency and Bank Notes Act 1928.	Section 6(4).
1963 c. 25.	The Finance Act 1963.	In section 56(1) the words “and in paragraph (2)(a)” onwards.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

1967 c. 54.	The Finance Act 1967.	Section 27(1).
1970 c. 24.	The Finance Act 1970.	In Schedule 7 paragraphs 5 and 18.

These repeals take effect on 25th June 1972 except that the repeals in the Finance Act 1963 and the Finance Act 1967 take effect on 1st August 1972 and do not affect instruments executed before that date.

PART XII

MISCELLANEOUS REPEALS

Chapter	Short Title	Extent of Repeal
1964 c. 49.	The Finance Act 1964.	Section 1(4).
1965 c. 25.	The Finance Act 1965.	In Schedule 6, in paragraph 14, sub-paragraphs (2) to (4). In schedule 7, paragraph (a) of the proviso to paragraph 17(3). In schedule 8, paragraph 5(3).
1970 c.10.	The Income and Corporation Taxes Act 1970.	In section 83(1), in paragraph (a) the words “(except subsection (6))”, in paragraph (b) the words “the said subsection (6) or”, and in the words following the paragraphs and in the proviso the words from “where no claim” to “section 80(6)”. In section 84(1), paragraph (a). In section 85(2), the words “(except subsection (6))”. In section 134(1), in paragraph (a), the words “(except subsection (6))” and, in paragraph (b), the words “the said section 80(6) or”. Section 142(3).
1971 c.68.	The Finance Act 1971.	In section 7, the words from “fitted with controls” to “or a vehicle;” and paragraphs (a) and (b). In section 42, in subsection (1), the words

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972. (See end of Document for details)

		from “Except” to “below”; and subsections (2) to (6).
		In Schedule 8, in paragraph 3(1) the words “which has been in use for the purposes of a trade carried on by the seller”, in paragraph 3(3) the words “which has been in use for the purposes of his trade”, and, in paragraph 4, sub-paragraph (1)(b) and sub-paragraph 2(b) together with the word “and” preceding it.
		In Schedule 11, paragraph 5.
1972 c. 25.	The Betting and Gaming Duties Act 1972.	In Schedule 2, in paragraph 18(1), the words “but before 1st April 1973”.

NOTES:

1. the repeal of section 1(4) of the Finance Act 1964 takes effect on 8th August 1972.
2. The repeals in sections 134 and 142 of the Taxes Act do not affect the operation of those sections in relation to claims that were or could have been made under section 80(6) of that Act as originally enacted.
3. The repeal in section 42 of the Finance Act 1971 has effect in relation to expenditure incurred after 21 March 1972 and the repeals in Schedule 8 to that Act have effect in accordance with section 68(9) of this Act.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1972.