



Finance Act 1976

1976 CHAPTER 40

PART I

CUSTOMS AND EXCISE

Duties on alcoholic beverages

1 Increase of duties on spirits, beer, wine and made-wine

- (1) in the Table in section 9 of the Finance (No. 2) Act 1975 (excise duty on spirits) for "22.0900" and "22.1650" there shall be substituted " 24.6300 " and " 24.7050 " respectively.
- (2) In section 10(1) of that Act (excise duty on beer) for "£13.6800" and "£0.4560" there shall be substituted " £15.8400 " and " £0.5280 " respectively.
- (3) For the provisions of Schedule 4 to that Act (rates of excise duty on wine) there shall be substituted the provisions of Schedule 1 to this Act.
- (4) For the provisions of Schedule 5 to that Act (rates of excise duty on made-wine) there shall be substituted the provisions of Schedule 2 to this Act.
- (5) This section shall be deemed to have come into force on 7th April 1976.

2 Excise duty on cider

- (1) As from 6th September 1976 there shall be charged on cider—
 - (a) imported into the United Kingdom ; or
 - (b) made in the United Kingdom by a person who is required by subsection (2) below to be registered as a maker of cider,a duty of excise at the rate of £0.22 a gallon.

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- (2) Subject to subsection (3) below, a person who, on any premises in the United Kingdom, makes cider for sale must be registered with the Commissioners in respect of those premises.
- (3) The Treasury may by order made by statutory instrument provide for exempting from subsection (2) above makers of cider whose production does not exceed such limit as is specified in the order and who comply with such other conditions as may be so specified; and any order under this subsection may be varied or revoked by a subsequent order.
- (4) If any person who is required by subsection (2) above to be registered in respect of any premises makes cider on those premises without being registered in respect of them, he shall be liable to a penalty of £500 and the cider and all vessels, utensils and materials for making cider found in his possession shall be liable to forfeiture.
- (5) The Commissioners may with a view to managing the duty imposed by this section on cider made in the United Kingdom make regulations—
 - (a) regulating the making of cider for sale and the registration and cancellation of registration of makers of cider;
 - (b) for determining the duty and the rate thereof and in that connection prescribing the method of charging the duty;
 - (c) for securing and collecting the duty ;
 - (d) for relieving cider from the duty in such circumstances and to such extent as may be prescribed in the regulations.
- (6) If any person fails to comply with any regulation made under subsection (5) above, he shall be liable to a penalty of £50 and any article in respect of which the offence was committed shall be liable to forfeiture.
- (7) As from 6th September 1976 the enactments mentioned in Schedule 3 to this Act shall have effect subject to the amendments there specified, being amendments consequential on this section.
- (8) In this section " cider" means cider (or perry) of a strength less than 8.7 per cent. of alcohol by volume (at a temperature of 20° C) obtained from the fermentation of apple or pear juice without the addition at any time of any alcoholic liquor or of any liquor or substance which communicates colour or flavour other than such as the Commissioners may allow as appearing to them to be necessary to make cider (or perry).

3 Relaxation of prohibition on retail sales at distilleries

- (1) Subsection (1) of section 105 of the Customs and Excise Act 1952 (restriction on carrying on of other trades by distillers and rectifiers) shall cease to apply to the trade of retailer of spirits ; and after that subsection there shall be inserted—

“(1A) Save with the permission of the Commissioners and subject to compliance with such conditions as they see fit to impose, a distiller or rectifier shall not—

 - (a) carry on upon his premises the trade of a retailer of spirits; or
 - (b) carry on the trade of a distiller or, as the case may be, rectifier on any premises communicating otherwise than by a public roadway with other premises on which the trade of retailer of spirits is carried on.”

(2) Subsection (1) of section 160 of that Act (which precludes a dealer in or retailer of spirits from carrying on his business on premises communicating otherwise than by a public roadway with premises entered or used by a distiller or rectifier) shall cease to apply to a retailer of spirits; and for subsection (2) of that section (which precludes a retailer of spirits from being concerned or interested in the business of a distiller or rectifier carried on within two miles of his premises) there shall be substituted—

“(2) Save with the permission of the Commissioners and subject to compliance with such conditions as they see fit to impose, a retailer of spirits shall not—

- (a) carry on his business on any premises which are entered or used by a distiller or rectifier or which communicate otherwise than by a public roadway with any such premises ; or
- (b) be concerned or interested in the business of a distiller or rectifier carried on upon any premises within two miles of any premises at which he sells spirits by retail.”

(3) In subsection (3) of the said section 160 (penalties) after the words " provisions of this section " there shall be inserted the words " or any condition imposed thereunder ".

Tobacco products duty

4 Charge and administration

(1) As from 10th May 1976 there shall be charged on tobacco products imported into or manufactured in the United Kingdom a duty of excise at the rates shown in the following Table—

TABLE

1. Cigarettes	An amount equal to 20 per cent. of the retail price.
2. Cigars	£2.765 per pound.
3. Hand-rolling tobacco	£2.400 per pound.
4. Other smoking tobacco and chewing tobacco.	£1.550 per pound.

(2) Subject to such conditions as they see fit to impose, the Commissioners shall remit or repay the duty charged by this section where it is shown to their satisfaction that the products in question have been—

- (a) exported or shipped as stores ; or
- (b) used solely for the purposes of research or experiment;

and the Commissioners may by regulations provide for the remission or repayment of the duty in such other cases as may be specified in the regulations and subject to such conditions as they see fit to impose.

(3) The Commissioners may with a view to managing the duty charged by this section make regulations—

- (a) prescribing the method of charging the duty and for securing and collecting the duty ;

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- (b) for the registration of premises for the safe storage of tobacco products and for requiring the deposit of such products in, and regulating their treatment in and removal from, premises so registered ;
 - (c) for requiring the keeping and preservation of such records, and the making of such returns, as may be specified in the regulations; and
 - (d) for the inspection of goods, documents and premises.
- (4) If any person fails to comply with any regulation made under this section he shall be liable to a penalty of £200 and any article in respect of which, or found on premises in respect of which, the offence was committed shall be liable to forfeiture.
- (5) In subsection (1) above " hand-rolling tobacco" means tobacco—
- (a) which is sold or advertised by the importer or manufacturer as suitable for making into cigarettes; or
 - (b) of which more than 25 per cent. by weight of the tobacco particles have a width of less than 0.6 mm.
- (6) In this section and the other provisions of this Part of this Act relating to tobacco " tobacco products " means any of the products mentioned in the Table in subsection (1) above which are manufactured wholly or partly from tobacco or any substance used as a substitute for tobacco but does not include products commonly known as herbal cigarettes or herbal smoking mixtures.

5 Retail price of cigarettes

- (1) For the purposes of the duty chargeable at any time under section 4 above in respect of cigarettes of any description, the retail price of the cigarettes shall be taken to be—
- (a) in a case in which paragraph (b) below does not apply, the highest price at which cigarettes of that description are normally sold by retail at that time in the United Kingdom;
 - (b) in any case where—
 - (i) there is a price recommended by the importer or manufacturer for the sale by retail at that time in the United Kingdom of cigarettes of that description ; and
 - (ii) duty is tendered and accepted by reference to that price,
 the price so recommended.
- (2) The duty in respect of any number of cigarettes shall be charged by reference to the price which, in accordance with subsection (1) above, is applicable to cigarettes sold in packets of twenty or of such other number as the Commissioners may determine in relation to cigarettes of the description in question ; and the whole of the price of a packet shall be regarded as referable to the cigarettes it contains notwithstanding that it also contains a coupon, token, card or other additional item.
- (3) In any case in which duty is chargeable in accordance with paragraph (a) of subsection (1) above—
- (a) the question as to what price is applicable under that paragraph shall, subject to subsection (4) below, be determined by the Commissioners ; and
 - (b) the Commissioners may require security (by deposit of money or otherwise to their satisfaction) for the payment of duty to be given pending their determination.

- (4) Any person who has paid duty in accordance with a determination of the Commissioners under subsection (3)(a) above and is dissatisfied with their determination may require the question of what price was applicable under subsection (1)(a) above to be referred to the arbitration of a referee appointed by the Lord Chancellor, not being an official of any government department; and if the referee determines that the price was lower than that determined by the Commissioners, they shall repay the duty overpaid, together with interest thereon from the date of the overpayment at such rate as the referee may determine.
- (5) The procedure on any reference to a referee under subsection (4) above shall be such as may be determined by the referee; and the referee's decision on any such reference shall be final and conclusive.

6 Alteration of rates of duty

- (1) The Treasury may by order increase or decrease any of the rates of duty for the time being in force under the Table in section 4(1) above by such percentage thereof, not exceeding ten per cent., as may be specified in the order, but any such order shall cease to be in force at the expiration of a period of one year from the date on which it takes effect unless continued in force by a further order under this section.
- (2) Any order under this section may be varied or revoked by a subsequent order ; and in relation to any order to continue, vary or replace a previous order, the reference in subsection (1) above to the rate for the time being in force is a reference to the rate that would be in force if no order under this section had been made.
- (3) The power to make orders under this section shall be exercisable by statutory instrument.
- (4) Any order under this section increasing the rate in force at the time of making an order shall be laid before the House of Commons after being made; and unless it is approved by that House before the expiration of twenty-eight days beginning with the date on which it was made, it shall cease to have effect on the expiration of that period, but without prejudice to anything previously done thereunder or to the making of a new order.

In reckoning any such period no account shall be taken of any time during which Parliament is dissolved or prorogued or during which the House of Commons is adjourned for more than four days.
- (5) Any order under this section to which subsection (4) above does not apply shall be subject to annulment in pursuance of a resolution of the House of Commons.
- (6) Section 9 of the Finance Act 1961 (surcharges and rebates in respect of revenue duties) shall not apply to duty charged under section 4 above.

7 Charge in cases of default

- (1) Where the records or returns kept or made by any person in pursuance of regulations under section 4 above show that any tobacco products or materials for their manufacture are or have been in his possession or under his control, the Commissioners may from time to time require him to account for those products or materials and unless he proves—

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- (a) that duty has been paid or secured under that section in respect of the products or, as the case may be, products manufactured from the materials; or
- (b) that the products or materials are being or have been otherwise dealt with in accordance with the regulations,

the Commissioners may require him to pay duty under that section in respect of those products or, as the case may be, in respect of such products as in their opinion might reasonably be expected to be manufactured from those materials.

- (2) Where a person has failed to keep or make any records or returns required by regulations under section 4 above or it appears to the Commissioners that any such records or returns are inaccurate or incomplete they may require him to pay any duty under that section which they consider would have been shown to be due if proper records or returns had been kept or made.

Existing tobacco duties

8 Reduction of tobacco duties

- (1) As from 10th May 1976 the rates of the duties of customs and excise chargeable on tobacco under the provisions mentioned in subsection (2) below shall each be reduced by £1.855 per pound ; and as respects tobacco on which there have been paid duties of customs and excise at the said reduced rates, the rates of drawback allowable under those provisions shall each be reduced by the like amount per pound.
- (2) The provisions mentioned in subsection (1) above are the provisions of—
 - (a) section 4 of the Finance Act 1964, Schedule 5 to the Finance Act 1973, section 1(6) of the Finance Act 1974 and section 1(6) of the Finance (No. 2) Act 1975 ; and
 - (b) any order made before the said 10th May under section 1(4) of the said Act of 1973.
- (3) In section 1(4) of the said Act of 1973 for paragraphs (a) and (b) there shall be substituted the words " the rates of the duty of customs and of drawback in respect of tobacco " ; and subsection (1) above is without prejudice to the powers conferred on the Treasury by the said section 1(4).
- (4) The Commissioners may make regulations for the repayment of any amounts of duty paid, and the recovery of any amounts of drawback allowed, in the period beginning with the said 10th May and ending with the passing of this Act which would not have been payable or allowable if this Act had been passed on that date ; and the regulations may provide for setting off against any such repayment any amount due for that period by way of duty under section 4 above.
- (5) If it is shown to the satisfaction of the Commissioners that any tobacco which has borne duty before the said 10th May under the provisions mentioned in subsection (2) above has been or will be used in the manufacture of tobacco products chargeable with duty under section 4 above, they shall make a repayment at the rate of £1.855 per pound in respect of the duty borne by that tobacco as aforesaid; and the rate per pound at which drawback is allowable on tobacco in respect of which a repayment has been made under this subsection shall be reduced by £1.855.

Hydrocarbon oil duty

9 Increase of duty on hydrocarbon oil etc.

- (1) In section 11 of the Finance (No. 2) Act 1975 (excise duty on hydrocarbon oil etc.) for the words " £0.2250 a gallon " there shall be substituted the words " £0.3000 a gallon ".
- (2) This section shall be deemed to have come into force at 6 o'clock in the evening of 9th April 1976.

10 Use of rebated heavy oil

- (1) In paragraphs 2(b) and 3(b) of Schedule 1 to the Hydrocarbon Oil (Customs & Excise) Act 1971 (vehicles in which heavy oil may be used without repayment of rebate) for the words " or mowing machine " there shall be substituted the words " , mowing machine or fisherman's tractor ".
- (2) In paragraphs 3 and 5 of that Schedule (which contain references to provisions of the Vehicles (Excise) Act (Northern Ireland) 1954 now consolidated in the Vehicles (Excise) Act (Northern Ireland) 1972), for "section 7(1)(h)", "section 7(5)", "section 4(2)(a), (b), (c), or (d) of ", " section 20 " and " 1954 " wherever it occurs there shall be substituted " section 4(1)(h) " , " section 7(1) " , " Schedule 3 to " , " section 23 " and " 1972 " respectively.

Vehicles excise duty

11 Information about goods vehicles and registration of trailers

- (1) The power to make regulations under the Vehicles (Excise) Act 1971 as to the declaration to be made and particulars to be furnished by a person applying for a licence under that Act shall, in the case of applications for licences for goods vehicles, include power to require the declaration and particulars to extend to any matter specified in subsection (2) below as to which the Secretary of State may require information with a view to an alteration in the basis on which duty is chargeable under that Act in respect of such vehicles.
- (2) The matters referred to in subsection (1) above are—
 - (a) the construction of the vehicle ;
 - (b) the plated weights of the vehicle under Part II of the Road Traffic Act 1972 ;
 - (c) if the vehicle has no such plated weights, the weight, when laden with the maximum load which it is constructed or adapted to carry, of the vehicle or, if it falls within paragraph 6 of Schedule 4 to the said Act of 1971, of the single vehicle of which it is treated as forming part;
 - (d) the use to which the vehicle has been or is likely to be put.
- (3) In section 23(d) of the said Act of 1971 (and subsection (3) of the section 23 set out in paragraph 20 of Part I of Schedule 7 to that Act) references to mechanically propelled vehicles in respect of which duty is not chargeable under that Act shall include references to trailers.
- (4) In this section " goods vehicle " and " trailer " have the same meaning as in Schedule 4 to the said Act of 1971.

Status: This is the original version (as it was originally enacted).

- (5) This section shall apply to Northern Ireland with the substitution for references to the said Act of 1971 of references to the Vehicles (Excise) Act (Northern Ireland) 1972 (and, in subsection (3), for the reference to Schedule 7 of a reference to Schedule 9) and with the substitution for the reference to Part II of the Road Traffic Act 1972 of a reference to any corresponding provisions for the time being in force in Northern Ireland.

12 Charges on request for registration number

- (1) Regulations under the Vehicles (Excise) Act 1971 may provide for a prescribed charge to be made in cases where by request a particular registration mark is assigned to a vehicle (whether on its first registration or later), having previously been assigned to another vehicle.
- (2) The regulations may—
- (a) require the vehicle to which a mark is requested to be assigned, and also in prescribed cases the other vehicle, to be made available for inspection either at a place designated by or under the regulations, or elsewhere;
 - (b) provide for a prescribed charge to be made for the inspection, and for the whole or part of this charge to be retained whether or not the mark is assigned as requested.
- (3) Charges prescribed for the purposes of this section may be of any amount approved by the Treasury, and need not be related to the costs of making the assignment or (as the case may be) of arranging for any vehicle to be inspected.
- (4) The first regulations under the Vehicles (Excise) Act 1971 prescribing the amount of any charge by virtue of this section shall not be made unless a draft of a statutory instrument containing them has been laid before Parliament and approved by a resolution of each House; and those regulations shall not then be subject to annulment as otherwise provided for regulations under the Act.
- (5) The Vehicles (Excise) Act 1971 and this section shall be construed as if this section (without this subsection) were contained in that Act; and this section shall apply to Northern Ireland with the substitution for references to that Act of references to the Vehicles (Excise) Act (Northern Ireland) 1972.

13 Restriction of exemption for disabled persons

- (1) Subject to subsection (2) below, a vehicle shall not be exempt from duty by virtue of section 7 of the Finance Act 1971 for any period after 6th April 1976 for which the person in whose name the vehicle is registered is entitled to a mobility allowance.
- (2) Where a person—
- (a) has before the said 6th April obtained, in pursuance of regulations made under the Vehicles (Excise) Act 1971, a document in the form of a licence in respect of a vehicle exempt under the said section 7 ; or
 - (b) has since the beginning of 1976 and before that date applied for the certificate required by the regulations for obtaining such a document,
- the vehicle shall not cease to be exempt by virtue of this section before the expiration of the period of validity of the document obtained by him before that date or, as the case may be, the first such document obtained by him after that date by virtue of the certificate.

- (3) This section shall apply to Northern Ireland with the substitution for any reference to the said section 7 of a reference to section 7(2A) of the Vehicles (Excise) Act (Northern Ireland) 1972 and for the reference to the Vehicles (Excise) Act 1971 of a reference to the said Act of 1972.

14 Fishermen's tractors

- (1) The Vehicles (Excise) Act 1971 shall be amended in accordance with subsections (2) to (4) below.
- (2) After paragraph 5 of Part I of Schedule 3 there shall be inserted—
- “5A In this Schedule " fisherman's tractor " means a tractor registered under this Act in the name of a person engaged in the business of sea fishing for food and not used on public roads for hauling anything except—
- (a) a fishing boat, and anything (including the catch) carried in it, which belongs to that person or to him and other persons engaged in that business in the same locality;
 - (b) fishing tackle or other equipment required by the crew, or for the operation, of any such boat;
 - (c) fishing tackle or other equipment required for, and the catch resulting from, fishing operations carried out with the tractor.”
- (3) In paragraph 1 in column 1 of Part II of that Schedule after the words " mowing machines " there shall be inserted the words " fishermen's tractors ".
- (4) In Part I of Schedule 4, in paragraph 3(c) for the words " or works truck " there shall be substituted the words " , works truck or fisherman's tractor " and in paragraph 9(1) after the definition of " farmer's goods vehicle " there shall be inserted—
- “ fisherman's tractor ' has the same meaning as in Schedule 3 to this Act;”.
- (5) In section 6(1) of the Finance Act 1971 (definition of " tractor ") after the words " paragraph 2 " there shall be inserted the words " or of ' fisherman's tractor' in paragraph 5A ".
- (6) Subsections (2) to (4) above shall also have effect in relation to the Vehicles (Excise) Act (Northern Ireland) 1972; and in paragraph 2(2) of Schedule 3 to that Act, after the words " sub-paragraph (1)" there shall be inserted the words " and ' fisherman's tractor' in paragraph 5A ".

Miscellaneous

15 Deferred payment of customs duty

- (1) The Commissioners may by regulations provide for the payment of customs duty to be deferred in such cases as may be specified by the regulations and subject to such conditions as may be imposed by or under the regulations ; and duty of which payment is deferred under the regulations shall be treated, for such purposes as may be specified thereby, as if it had been paid.
- (2) Regulations under this section may make different provision for goods of different descriptions or for goods of the same description in different circumstances.

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- (3) Section 34 (1A) of the Customs and Excise Act 1952 and section 16(6) of the Finance (No. 2) Act 1975 (which are superseded by this section) shall cease to have effect on the coming into force of the first regulations under this section.

16 Continuation of powers under Finance Act 1961 s. 9

The period after which orders of the Treasury under section 9 of the Finance Act 1961 may not be made or continue in force (which, by section 7 of the Finance (No. 2) Act 1975, was extended until the end of August 1976) shall extend until the end of August 1977 or such later date as Parliament may hereafter determine.