

SCHEDULES

SCHEDULE 9

Section 72.

AMENDMENTS OF TAX ACTS CONSEQUENT ON PART III, CHAPTER II

PART I

REPLACEMENT OF SECTION 15 OF THE TAXES MANAGEMENT ACT 1970 (C. 9)

Taxes Management Act 1970 (c. 9)

1 For section 15 of the Taxes Management Act 1970 (return of employees' emoluments, etc.) there shall be substituted the following section—

“15 Return of employees emoluments, etc.

- (1) Every employer, when required to do so by notice from an inspector, shall, within the time limited by the notice, prepare and deliver to the inspector a return relating to persons who are or have been employed by him, containing the information required under the following provisions of this section.
- (2) An employer shall not be required to include in his return information relating to a year of assessment beginning more than six years before the year of assessment in which the notice is given.
- (3) A notice under subsection (1)—
 - (a) shall specify the employees for whom a return is to be made and may, in particular, specify individuals (by name or otherwise) or all employees of an employer or all his employees who are in director's or higher-paid employment; and
 - (b) shall specify the years of assessment or other periods with respect to which the information is to be provided.
- (4) A notice under subsection (1) may require the return to state the name and place of residence of an employee to whom it relates.
- (5) A notice under subsection (1) may require the return to contain, in respect of an employee to whom it relates, particulars of the payments made to him in respect of his employment including—
 - (a) payments to him in respect of expenses (including sums put at his disposal and paid away by him),
 - (b) payments made on his behalf and not repaid, and
 - (c) payments to him for services rendered in connection with a trade or business, whether the services were rendered in the course of his employment or not.

Status: This is the original version (as it was originally enacted).

- (6) Where, for the purposes of his return, an employer apportions expenses incurred partly in or in connection with a particular matter and partly in or in connection with other matters—
- (a) the return shall contain a statement that the sum included in the return is the result of such an apportionment; and
 - (b) if required to do so by notice from the inspector, he shall prepare and deliver to the inspector, within the time limited by the notice, a return containing full particulars as to the amount apportioned and the manner in which, and the grounds on which, the apportionment has been made.
- (7) A notice under subsection (1) may require the return—
- (a) to state in respect of an employee to whom it relates whether any benefits are or have been provided for him (or for any other person) by reason of his employment, such as may give rise to charges to tax under section 196 of the principal Act, section 36 or 37 of the Finance (No. 2) Act 1975 or sections 61 to 68 of the Finance Act 1976 (miscellaneous benefits in cash or in kind) ; and
 - (b) if such benefits are or have been provided, to contain such particulars of those benefits as may be specified in the notice.
- (8) Where such benefits are provided the notice may, without prejudice to subsection (7)(b), require the return to contain the following particulars—
- (a) where the benefits are or have been provided by the employer, particulars of the cost of providing them; and
 - (b) where the benefits are or have been provided otherwise than by the employer himself, the name and business address of any person who has (either by arrangement with the employer, or to his knowledge) provided them.
- (9) Where it appears to an inspector that a person has, in any year of assessment, been concerned in providing benefits to or in respect of employees of another, the inspector may at any time up to 6 years after the end of that year of assessment by notice require him to deliver to the inspector, within the time limited by the notice, such particulars of those benefits as may be specified in the notice (so far as known to him) and to include with those particulars the names and addresses (so far as known to him) of the employees concerned.
- (10) Where the employer is a body of persons, the secretary of the body or other officer (by whatever name called) performing the duties of secretary shall be treated as the employer for the purposes of this section. Provided that, where the employer is a body corporate, that body corporate, as well as the secretary or other officer, shall be liable to a penalty for failure to comply with this section.
- (11) In this section—
- (a) " employee " means an office holder or employee whose emoluments fall to be assessed under Schedule E, and related expressions are to be construed accordingly; and
 - (b) " director's or higher-paid employment" has the same meaning as in Chapter II of Part III of the Finance Act 1976.”.

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

2 For the year 1976-77 the section substituted by paragraph 1 above has effect as if the provisions of sections 64 and 68 of, and Schedule 7 to, this Act were in operation for that year.

3 In section 98(3) of the Taxes Management Act 1970, the reference in the Table to section 200 of the Taxes Act shall be omitted.

Income and Corporation Taxes Act 1970 (c. 10)

4 The following provisions and passages in the Taxes Act are hereby repealed—

- (a) in section 195, subsection (2) ;
- (b) in section 196(1), the words "and section 15 of the Taxes Management Act 1970 " ;
- (c) section 200.

Finance Act 1974 (c. 30)

5 In section 24 of the Finance Act 1974 (returns relating to persons treated as employees) for the words from " except paragraph (b)" to " are performed ;" there shall be substituted the words " shall apply as if the person for whose benefit the duties were performed were the employer, but only so as to require him to make a return of the name and place of residence of the person performing the duties ; ".

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6 Nothing in this Part of this Act shall prejudice the validity of anything done before the passing of this Act for the purposes of section 15 of the Taxes Management Act 1970 or section 200 of the Taxes Act, including any notice given, return made or proceedings taken, and anything so done shall be complied with and proceeded with, and proceedings for failure to comply with those sections may be instituted or continued, as if this Part of this Act had not been passed.

PART II

OTHER AMENDMENTS

7 The amendments set out in this Part of this Schedule have effect for 1977-78 and subsequent years.

Capital Allowances Act 1968 (c. 3)

8 In section 33 of the Capital Allowances Act 1968 (balancing allowances and charges), in paragraph (b) of the proviso to subsection (2) for the words " Part VIII" to the end there shall be substituted the words " Part III of the Finance Act 1976 ".

9 In section 34 of that Act (notional sales), in subsection (3), for the words " Part VIII of the principal Act" there shall be substituted the words " Part III of the Finance Act 1976 ".

Taxes Management Act 1970 (c. 9)

10 (1) In section 35(2) of the Taxes Management Act 1970, paragraph (a) shall be omitted.

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

- (2) Sub-paragraph (1) has effect in relation to income assessable for 1977-78 and subsequent years.
- 11 In Schedule 3 to that Act (rules for assigning proceedings to Commissioners), after paragraph 5A there shall be inserted—

<p>“5B. An appeal against the decision of an inspector under section 65 of the Finance Act 1976.</p>	<p>The place where the employees concerned (or most of them) are employed.”</p>
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Income and Corporation Taxes Act 1970 (c. 10)

- 12 In section 75 of the Taxes Act (sporting rights), in subsection (2), for the words from "section 196" to the end there shall be substituted the words " section 61 of the Finance Act 1976 ".
- 13 In section 185 of that Act (accommodation occupied by holder of office or employment), in subsection (4) for the words " 198(1) below " there shall be substituted the words " Chapter II of Part III of the Finance Act 1976 ".
- 14 (1) Sections 195 to 199 and 201 to 203 of that Act are hereby repealed.
- (2) Where there was in force under section 199 a notification that an inspector was satisfied that certain payments or other benefits provided by an employer would not result in additional tax liability under Chapter II of Part VIII of that Act, that notification shall, subject to the following provisions of this paragraph, continue in force as if made under section 70 of this Act in relation to tax liability under Chapter II of Part III of this Act.
- (3) Such a notification does not continue in force so far as it relates to benefits or facilities chargeable to tax under sections 64 to 68 of this Act.
- (4) The inspector may, if in his opinion there is reason to do so, by notice in writing served on the persons to whom the notification was given, revoke a notification continued in force by this paragraph, either from the date of its original making or as from such later date as may be specified in the notice; and then all such income tax becomes chargeable (whether under Chapter II of Part VII of the Taxes Act or Chapter II of Part III of this Act), and all such returns are to be made by that person and by the employees for whom the benefits or facilities are provided, as would have been chargeable or would have had to be made in the first instance if the notification had never been given or, as the case may be, it had ceased to have effect on the specified date.
- 15 In section 284(2) of the Taxes Act (close company distributions), for the proviso there shall be substituted—
- “Provided that this subsection shall not apply to expense incurred in or in connection with the provision—
- (a) for a person employed in director's or higher-paid employment (within Chapter II of Part III of the Finance Act 1976) of such benefits as are mentioned in any of sections 61 to 68 of that Act; or
- (b) for the spouse, children or dependants of a person employed by the company of any pension, annuity on that person's death or retirement.”.

16 In that section of that Act, for subsection (3) there shall be substituted the following subsection—

“(3) The amount of the expense to be taken into account under subsection (2) above as a distribution shall be the same as would under Chapter II of Part III of the Finance Act 1976 be the cash equivalent of the resultant benefit to the participator.”.