



# Finance (No. 2) Act 1979

## 1979 CHAPTER 47

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. [26th July 1979]

### PART I

1 ..... <sup>F1</sup>

#### Textual Amendments

<sup>F1</sup> S. 1 repealed by [Value Added Tax Act 1983 \(c. 55\)](#), s. 50(2), [Sch. 11](#)

2—4. .... <sup>F2</sup>

#### Textual Amendments

<sup>F2</sup> Ss. 2—4 repealed by [Finance Act 1980 \(c. 48\)](#), s. 122, [Sch. 20 Pt. III](#)

### PART II

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

5—13. .... <sup>F3</sup>

*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 1979. (See end of Document for details)*

#### Textual Amendments

**F3** Ss. 5—13 repealed by [Income and Corporation Taxes Act 1988 \(c. 1\)](#), s. 844, [Sch. 31](#)

**14** ..... **F4**

#### Textual Amendments

**F4** S. 14 repealed by [Courts and Legal Services Act 1990 \(c. 41\)](#), s. 164(4), [Sch. 2](#)

**15, 16.** ..... **F5**

#### Textual Amendments

**F5** Ss. 15 and 16 repealed by [Income and Corporation Taxes Act 1988 \(c. 1\)](#), s. 844, [Sch. 31](#)

### **17 Compensation for delay in national savings payments.**

- (1) There shall be disregarded for all purposes of . . . <sup>F6</sup> capital gains tax any sums paid by the Department for National Savings as compensation for delay in making any such payments or repayments as are mentioned in subsection (2) below, being delay attributable to industrial action by staff of the Department between 22nd February 1979 and 4th May 1979.
- (2) The payments and repayments referred to above are—
  - (a) payments of dividends or interest on stocks and securities registered on the National Savings Stock Register;
  - (b) repayments of national savings certificates;
  - (c) repayments of contributions, and payments of bonuses or interest, under certified contractual saving schemes as defined by section 415(2) of the Taxes Act;
  - (d) payments of premium savings bond prizes and repayments of premium savings bonds;
  - (e) repayments of money deposited in the National Savings Bank.
- (3) This section does not affect the tax treatment of interest to which a person is entitled under any express provision in that behalf contained in the terms of issue of any such stock, securities or certificates as are mentioned in paragraph (a) or (b) of subsection (2) above, in the conditions applying to a contract made under any such scheme as is mentioned in paragraph (c) of that subsection or in the <sup>M1</sup>National Savings Bank Act 1971.

#### Textual Amendments

**F6** Words repealed by [Income and Corporation Taxes Act 1988 \(c. 1\)](#), s. 844, [Sch. 31](#)

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#### Marginal Citations

**M1** 1971 c. 29.

### PART III

#### PETROLEUM REVENUE TAX

**18** ..... **F7**

#### Textual Amendments

**F7** S. 18 repealed (with savings) by Finance Act 1980 (c. 48), s. 122, Sch. 20 Pt. XIII

#### **19 Reduction of uplift for allowable expenditure.**

- (1) In section 2(9)(b)(ii) and (c)(ii) of the <sup>M2</sup>Oil Taxation Act 1975 (uplift of 75 per cent. of allowable expenditure) for “75 per cent.” there shall be substituted “ 35 per cent. ”.
- (2) Subject to subsection (3) below, subsection (1) above has effect in relation to expenditure incurred in pursuance of a contract entered into on or after 1st January 1979.
- (3) Where expenditure is incurred in pursuance of a contract entered into before the said 1st January but is attributable to a request for an alteration or addition made, or other instruction given, on or after that date by or on behalf of the person incurring the expenditure to another party to the contract, subsection (1) above shall have effect in relation to that expenditure as if the percentage to be substituted for 75 per cent. were  $\frac{66}{23}$ ; per cent.
- (4) Where under paragraph 2(4)(a) of Schedule 5 to the said Act of 1975 or that paragraph as applied by Schedule 6 to that Act (claims for allowable expenditure) a claim states that any expenditure is claimed as qualifying for supplement under section 2(9)(b)(ii) or (c)(ii) of that Act, then, if by virtue of this section those provisions have effect in relation to different parts of that expenditure with different percentages—
  - (a) the claim shall distinguish between those parts;
  - (b) in paragraphs 3(1)(b), 6(1)(b), 6(2), 7(1) and 8(2) of that Schedule, and in those paragraphs as applied by the said Schedule 6, references to expenditure allowed or which ought to be allowed as qualifying for supplement or to expenditure which does so qualify shall be construed as referring separately to each of those parts; and
  - (c) in paragraph 5(1)(a) of that Schedule, and in that paragraph as so applied, the reference to the amount or total of the amounts stated under the said paragraph 3(1)(b) shall be construed as a reference to any amount so stated by virtue of paragraph (b) above.
- (5) Where by virtue of subsection (4) above different amounts are stated under paragraph 3(1)(b) of the said Schedule 5 the reference in paragraph 3(1)(c) of that Schedule to an amount equal to the relevant percentage of the amount stated under paragraph 3(1)(b)

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shall be construed as a reference to an amount arrived at by applying the appropriate percentage to each of those amounts and aggregating the result.

#### Marginal Citations

M2 1975 c. 22.

## 20 Extension of allowable expenditure.

- (1) In section 3(1)(f) of the <sup>M3</sup>Oil Taxation Act 1975 (which allows expenditure of transporting oil from the field to the place where it is first landed in the United Kingdom) and in paragraph (b) of the definition of “production purposes” in section 12(1) of that Act, after the words “in the United Kingdom” there shall be inserted the words “ or to the place in the United Kingdom at which the seller in a sale at arm’s length could reasonably be expected to deliver it or, if there is more than one place at which he could reasonably be expected to deliver it, the one nearest to the place of extraction; ”.
- (2) In paragraph 2 of Schedule 4 to that Act (restriction on allowable expenditure where incurred in transactions between specified persons), for paragraphs (a) to (c) of subparagraph (2) there shall be substituted the words “ they are connected within the meaning of section 533 of the Taxes Act ”.
- (3) This section shall have effect in relation to any expenditure in respect of which a claim is made after 31st December 1978.

#### Marginal Citations

M3 1975 c. 22.

## 21 Reduction of oil allowance and metrication of measurements.

- (1) Section 8 of the <sup>M4</sup>Oil Taxation Act 1975 (oil allowance) shall be amended as follows:
  - (a) in subsection (2) (oil allowance for each chargeable period), for the words “500,000 long tons” there shall be substituted the words “ 250,000 metric tonnes ”;
  - (b) in subsections (3) and (5) (participator’s share of oil allowance and amount of allowance utilised in a chargeable period), for the words “long tons”, wherever they occur, there shall be substituted the words “ metric tonnes ”;
  - (c) in subsection (6) (total oil allowance for an oil field), for the words “10 million long tons”, wherever they occur, there shall be substituted the words “ 5 million metric tonnes ”; and
  - (d) in subsection (7) (equivalent of long ton)—
    - (i) for the words “40,000 cubic feet” there shall be substituted the words “ 1,100 cubic metres ”; and
    - (ii) for the words “long ton” there shall be substituted the words “ metric tonne ”.
- (2) In section 1(4) of that Act, in the definition of “the critical half year”—
  - (a) for the words “long tons” there shall be substituted the words “ metric tonnes ”;

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- (b) for the words “40,000 cubic feet” there shall be substituted the words “ 1,100 cubic metres ”; and
  - (c) for the words “long ton” there shall be substituted the words “ metric tonne ”.
- (3) In section 10(5) of that Act (equivalent of long ton)—
- (a) for the words “40,000 cubic feet”there shall be substituted the words “ 1,100 cubic metres ”; and
  - (b) for the words “long ton” there shall be substituted the words “ metric tonne ”.
- (4) Subsections (1) and (2) above shall have effect respectively in relation to chargeable periods ending after 31st December 1978 and half years ending after that date and subsection (3) above shall be deemed to have come into force on 1st January 1979.

#### Marginal Citations

M4 1975 c. 22.

22 ..... F8

#### Textual Amendments

F8 S. 22 repealed by Oil and Pipelines Act 1985 (c. 62), s. 7(4), Sch. 4 Pt. I and S.I. 1985/1749

### PART IV

#### MISCELLANEOUS AND SUPPLEMENTARY

23 ..... F9

#### Textual Amendments

F9 S. 23 repealed by Finance Act 1982 (c. 39), s. 157, Sch. 22 Pt. VII Note 3

24 ..... F10

#### Textual Amendments

F10 S. 24 repealed by Finance Act 1985 (c. 54), s. 98(6), Sch. 27 Pt. X Note 2

25 **Short title, interpretation, construction and repeals.**

- (1) This Act may be cited as the Finance (No. 2) Act 1979.
- (2) In this Act “the Taxes Act” means the <sup>M5</sup>Income and Corporation Taxes Act 1970.

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- (3) Part II of this Act so far as it relates to income tax shall be construed as one with the Income Tax Acts and so far as it relates to corporation tax shall be construed as one with the Corporation Tax Acts.
- (4) Part III of this Act shall be construed as one with Part I of the <sup>M6</sup>Oil Taxation Act 1975.
- (5) The enactments mentioned in Schedule 5 to this Act are hereby repealed to the extent specified in the third column of that Schedule, but subject to any provision at the end of any Part of that Schedule.

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**Marginal Citations**

**M5** [1970 c. 10.](#)

**M6** [1975 c. 22.](#)

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## SCHEDULES 1 AND 2

. . . F11

### Textual Amendments

**F11** Schs. 1 and 2 repealed by [Income and Corporation Taxes Act 1988 \(c. 1\)](#), s. 844, [Sch. 31](#)

## SCHEDULE 3

. . . F12

### Textual Amendments

**F12** [Sch. 3](#) repealed (with savings) by [Finance Act 1981 \(c. 35\)](#), s. 139, [Sch. 19 Pt. VII](#)

## SCHEDULE 4

1—3. . . . . F13

### Textual Amendments

**F13** [Sch. 4 paras. 1—3](#) repealed by [Magistrates Courts Act 1980 \(c. 48\)](#), s. 122, [Sch. 20 Pt. XIV](#)

4 . . . . . F14

### Textual Amendments

**F14** [Sch. 4 para. 4](#) repealed by [Finance Act 1985 \(c. 54\)](#), s. 98(6), [Sch. 27 Pt. X](#) Note 2

## SCHEDULE 5

Section 25.

## REPEALS

### Modifications etc. (not altering text)

**C1** The text of [Sch. 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.

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## PART I

### VALUE ADDED TAX

Chapter	Short title	Extent of repeal
1975 c. 7.	The Finance Act 1975.	Section 1.
1975 c. 45.	The Finance Act (No. 2.) Act 1975	Section 17.  Section 18(3)(b) and (c). Schedule 7.
1976 c. 40.	The Finance Act 1976.	Section 17.

These repeals take effect on 18th June 1979 and the repeal of Schedule 7 to the Finance (No. 2.) Act 1975 has effect subject to section 1(2) of this Act.

## PART II

### INCOME TAX AND CORPORATION TAX

Chapter	Short title	Extent of repeal
1970 c. 10.	The Income and Corporation Taxes Act 1970.	Section 13.  In section 15 the figure “13”. In section 219(1)(a) the word “and”. Section 365(3).
1971 c. 68.	The Finance Act 1971.	Section 18(1)(a). In Schedule 4, in paragraph 3(3) the figure “13”.
1973 c. 51.	The Finance Act 1973.	Section 12(2)(c).
1975 c. 18.	The Social Security (Consequential Provisions) Act 1975.	In Schedule 2 paragraph 36.
1975 c. 60.	The Social Security Pensions Act 1975.	In Schedule 4 paragraphs 12 and 20.
1976 c. 40.	The Finance Act 1976.	Section 29(5). Section 31. In section 36(8)(b)(i) the figure “13”. Section 43.
1977 c. 36.	The Finance Act 1977.	Section 22(1)(e).



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1978 c. 42.	The Finance Act 1978.	Section 23(3) and (4). Section 18. Section 19(1), (3) and (4). Section 20(4).
1979 c. 25.	The Finance Act 1979.	Section 1(1), (2) and (3). In section 2, in subsection (1), the words “and the fraction mentioned in section 95(2) of the Finance Act 1972 (marginal relief for small companies)”, and subsection (2).
1	The repeal of section 43 of the Finance Act 1976 has effect in relation to expenditure to which section 14(5) of this Act applies.	
2	The repeal of section 1(1) of the Finance Act 1979 has effect subject to section 5(2) of this Act.	
3	Subject as aforesaid, the repeals relating to income tax have effect for the year 1979-80 and subsequent years of assessment.	

### PART III

#### PETROLEUM REVENUE TAX

Chapter	Short title	Extent of repeal
1975 c. 74.	Petroleum and Submarine Pipe-lines Act 1975.	Section 9(1). Section 15(2)(d).

The repeal of section 9(1) has effect for chargeable periods ending after 30th June 1979.

### PART IV

#### DEVELOPMENT LAND TAX

Chapter	Short title	Extent of repeal
1976 c. 24.	The Development Land Tax Act 1976.	In section 1(3) the words “Subject to section 13 below”. Section 13. In Schedule 6, sub-paragraphs (5) to (9) of paragraph 4, sub-paragraphs

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(3) to (9) of paragraph 6 and  
paragraph 9.

In Schedule 7, in paragraph 5,  
sub-paragraphs (4) and (5), in  
sub-paragraph (6) the words  
from the beginning to “then”  
and in sub-paragraph (8) the  
words “sub-paragraph (4)(b)  
or, as the case may be”.

1978 c. 42.	The Finance Act 1978.	Section 76.
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|---|--------------------------------------------------------------------------------------------------------------------------|
| 1 | The repeals in Schedule 6 to the Development Land Tax Act 1976 take effect in accordance with section 24(5) of this Act. |
| 2 | The other repeals have effect with respect to disposals on or after 12th June 1979.                                      |

**Status:**

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