



Tobacco Products Duty Act 1979

1979 CHAPTER 7

An Act to consolidate the enactments relating to the excise duty on tobacco products. [22nd February 1979]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Tobacco products

- (1) In this Act " tobacco products " means any of the following products, namely.—
- (a) cigarettes;
 - (b) cigars;
 - (c) hand-rolling tobacco;
 - (d) other smoking tobacco ; and
 - (e) chewing tobacco,
- which are manufactured wholly or partly from tobacco or any substance used as a substitute for tobacco, but does not include herbal smoking products.
- (2) Subject to subsection (3) below, in this Act " 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.
- (3) The Treasury may by order made by statutory instrument provide that in this Act references to cigarettes, cigars, hand-rolling tobacco, other smoking tobacco and chewing tobacco shall or shall not include references to any product of a description specified in the order, being a product manufactured as mentioned in subsection (1) above but not including herbal smoking products; and any such order may amend or repeal subsection (2) above.

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- (4) Subject to subsection (5) below, a statutory instrument by which there is made an order under subsection (3) above shall be laid before the House of Commons after being made ; and unless the order is approved by that House before the expiration of 28 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 under it 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 4 days.

- (5) Subsection (4) above shall not apply to any order containing a statement by the Treasury that the order does not extend the incidence of the duty or involve a greater charge to duty or a reduction of any relief ; and a statutory instrument by which any such order is made shall be subject to annulment in pursuance of a resolution of the House of Commons.
- (6) In this section "herbal smoking products" means products commonly known as herbal cigarettes or herbal smoking mixtures.

2 Charge and remission or repayment of tobacco products duty

- (1) There shall be charged on tobacco products imported into or manufactured in the United Kingdom a duty of excise at the rates shown, subject to section 3 below, in the Table in Schedule 1 to this Act.
- (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 Additional duty on higher tar cigarettes

- (1) In the case of any cigarette having a tar yield of not less than 20 mg. the Table in Schedule 1 to this Act shall have effect as if the rate of duty in paragraph 1 were increased by £2.25 per thousand cigarettes.
- (2) The Commissioners may make regulations—
- (a) prescribing how the tar yield of cigarettes is to be determined for the purposes of this section ;
 - (b) without prejudice to section 2(2) above, enabling the whole or any part of the additional duty imposed by this section to be remitted or repaid in such cases as may be specified in the regulations or determined by the Commissioners and subject to such conditions as they see fit to impose.

4 Calculation of duty in case of cigarettes more than 9 cm long

For the purposes of the references to a thousand cigarettes in paragraph 1 in the Table in Schedule 1 to this Act and in section 3(1) above any cigarette more than 9 cm. long (excluding any filter or mouthpiece) shall be treated as if each 9 cm. or part thereof were a separate cigarette.

5 Retail price of cigarettes

- (1) For the purposes of the duty chargeable at any time under section 2 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 20 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.
- (5) If, on a reference to him under subsection (4) above, the referee determines that the price was lower than that determined by the Commissioners, they shall repay the duty overpaid together with interest on the overpaid duty from the date of the overpayment at such rate as the referee may determine.
- (6) 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 made by statutory instrument increase or decrease any of the rates of duty for the time being in force under the Table in Schedule 1 to this Act by such percentage of the rate, not exceeding 10 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 made under this subsection.
- (2) In relation to any order made under subsection (1) above to continue, vary or replace a previous order so made, the reference in that subsection to the rate for the time being in force is a reference to the rate that would be in force if no order under that subsection had been made.
- (3) A statutory instrument under subsection (1) above by which there is made an order increasing the rate in force at the time of making the order shall be laid before the House of Commons after being made; and unless the order is approved by that House before the expiration of 28 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 under it 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 4 days.
- (4) A statutory instrument made under subsection (1) above to which subsection (3) above does not apply shall be subject to annulment in pursuance of a resolution of the House of Commons.
- (5) For the purposes of this section—
 - (a) the percentage and the amount per thousand cigarettes in paragraph 1 in the Table in Schedule 1 to this Act shall be treated as separate rates of duty; and
 - (b) the increase specified in section 3(1) above shall be treated as a rate of duty separate from that applying apart from the increase.

7 Regulations for management of duty

- (1) The Commissioners may with a view to managing the duty charged by section 2 above make regulations—
 - (a) prescribing the method of charging the duty and for securing and collecting the duty ;
 - (b) for the registration of premises for the safe storage of tobacco products and for requiring the deposit of tobacco products in, and regulating their treatment in and removal from, premises so registered;
 - (c) for the registration of premises where—
 - (i) tobacco products are manufactured ;
 - (ii) materials for the manufacture of tobacco products are grown, produced, stored or treated; or
 - (iii) refuse from the manufacture of tobacco products is stored or treated, and for regulating the storage and treatment in, and removal from, premises so registered of such materials and refuse;
 - (d) for requiring the keeping and preservation of such records, and the making of such returns, as may be specified in the regulations ; and

(e) for the inspection of goods, documents and premises.

- (2) If any person fails to comply with any regulation made under subsection (1) above he shall be liable on summary conviction 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.

8 Charge in cases of default

- (1) Where the records or returns kept or made by any person in pursuance of regulations under section 2 or 7 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.

- (2) Unless a person required under subsection (1) above to account for any products or materials proves—

- (a) that duty has been paid or secured under section 7 above 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 regulations under section 2 or 7 above,

the Commissioners may require him to pay duty under section 2 above 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.

- (3) Where a person has failed to keep or make any records or returns required by regulations under section 2 or 7 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 section 2 above which they consider would have been shown to be due if proper records or returns had been kept or made.

9 Regulations

Any power to make regulations under this Act shall be exercisable by statutory instrument and any statutory instrument by which the power is exercised shall be subject to annulment in pursuance of a resolution of either House of Parliament.

10 Interpretation

- (1) In this Act—

" hand-rolling tobacco " has the meaning given by section 1(2) above; and
" tobacco products " has the meaning given by section 1(1) above.

- (2) This Act and the other Acts included in the Customs and Excise Acts 1979 shall be construed as one Act but where a provision of this Act refers to this Act that reference is not to be construed as including a reference to any of the others.

- (3) Any expression used in this Act or in any instrument made under this Act to which a meaning is given by any other Act included in the Customs and Excise Acts 1979 has, except where the context otherwise requires, the same meaning in this Act or in any such instrument as in that Act; and for ease of reference the Table below indicates the expressions used in this Act to which a meaning is given by any other such Act—

Customs and Excise Management Act 1979

" the Commissioners "

" the Customs and Excise Acts 1979 "

" goods "

" importer "

" shipped "

" stores ".

11 Repeals, savings and transitional and consequential provisions

- (1) The enactments specified in Schedule 2 to this Act are hereby repealed to the extent specified in the third column of that Schedule, but subject to the provision at the end of that Schedule.
- (2) Any provision of this Act relating to anything done or required or authorised to be done under or by reference to that provision or any other provision of this Act shall have effect as if any reference to that provision, or that other provision, as the case may be, included a reference to the corresponding provision of the enactments repealed by this Act.
- (3) In section 3(2) of the Finance Act 1977 (which makes provision in consequence of the replacement from 1st January 1978 of duty under section 4 of the Finance Act 1964 with duty under section 4 of the Finance Act 1976) for the words " the said Act of 1964 " there shall be substituted the words " the Finance Act 1964 ", for the words "the said Act of 1976 " there shall be substituted the words " the Finance Act 1976 " and after the words " the said 1st January " there shall be inserted the words " or under section 2 of the Tobacco Products Duty Act 1979 on or after 1st April 1979 ".
- (4) Nothing in this section shall be taken as prejudicing the operation of sections 15 to 17 of the Interpretation Act 1978 (which relate to the effect of repeals).

12 Citation and commencement

- (1) This Act may be cited as the Tobacco Products Duty Act 1979 and is included in the Acts which may be cited as the Customs and Excise Acts 1979.
- (2) This Act shall come into operation on 1st April 1979

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SCHEDULES

SCHEDULE 1

Section 2(1).

TABLE OF RATES OF TOBACCO PRODUCTS DUTY

TABLE

1. Cigarettes	An amount equal to 30 per cent, of the retail price plus £9.00 per thousand cigarettes.
2. Cigars	£9.50 per pound.
3. Hand-rolling tobacco	£9.20 per pound.
4. Other smoking tobacco and chewing tobacco	£7.30 per pound.

SCHEDULE 2

Section 11(1).

REPEALS

Chapter	Short Title	Extent of Repeal
15 & 16 Geo. 6 & 1 Eliz. 2 c. 44.	The Customs and Excise Act 1952.	In the proviso to section 271(3), paragraph (i).
1976 c. 40.	The Finance Act 1976.	Sections 4, 5, 6(1) to (5) and 7.
1977 c. 36.	The Finance Act 1977.	Sections 2(2) and (4) to (8) and 3(1) and (5).
1978 c. 42.	The Finance Act 1978.	Section 1. In Schedule 12, paragraph 7(2).

The repeal in section 271(3) of the Customs and Excise Act 1952 does not affect drawback by virtue of events occurring on or before 30th June 1978.