



# Finance Act 1997

## 1997 CHAPTER 16

### PART II

#### INSURANCE PREMIUM TAX

##### *New rates of tax*

#### **21 Rate of tax.**

(1) For section 51 of the <sup>M1</sup>Finance Act 1994 (rate of tax) there shall be substituted—

**“51 Rate of tax.**

(1) Tax shall be charged—

- (a) at the higher rate, in the case of a premium which is liable to tax at that rate; and
- (b) at the standard rate, in any other case.

(2) For the purposes of this Part—

- (a) the higher rate is 17.5 per cent.; and
- (b) the standard rate is 4 per cent.”

(2) In section 73(1) of the Finance Act 1994 (general interpretation) there shall be inserted at the appropriate places—

- “(a) “the higher rate” shall be construed in accordance with section 51 above;”
- “(b) “the standard rate” shall be construed in accordance with section 51 above;”.

#### **Marginal Citations**

**M1** 1994 c. 9.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 1997, Section 21.