



# Finance Act 1901

## 1901 CHAPTER 7

An Act to grant certain duties of Customs and Inland Revenue, to alter other duties, and to amend the Law relating to Customs and Inland Revenue and the National Debt, and to make other provision for the financial arrangements of the year. [26th July 1901]

Most Gracious Sovereign

WE, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom in Parliament assembled, towards raising the necessary supplies to defray Your Majesty's public expenses, and making an addition to the public revenue, have freely and voluntarily resolved to give and to grant unto your Majesty the several duties hereinafter mentioned; and do therefore most humbly beseech Your Majesty that it may be enacted, and be it enacted by the King'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:—

### PART I

#### CUSTOMS AND EXCISE

##### **1 Duty on tea.**

The duty of customs now payable on tea shall continue to be charged, levied, and paid until the first day of August nineteen hundred and two, on the importation thereof into Great Britain or Ireland ; that is to say—

Tea, the pound, sixpence.

##### **2 Sugar duty.**

- (1) There shall as from the nineteenth day of April nineteen hundred and one, be charged, levied, and paid on the following articles imported into Great Britain or Ireland, the following duties—

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	£	s.	d.
Sugar which, when tested by the polariscope, indicates a polarisation exceeding ninety-eight degrees - the cwt.	0	4	2
Sugar of a polarisation not exceeding seventy-six degrees - the cwt.	0	2	0
Sugar of a polarisation hot exceeding ninety-eight degree's, hut exceeding seventy-six degrees the cwt.	{ The intermediate duties shown in the table in the First Schedule to this Act.		
Molasses (except when cleared for use by a licensed distiller in the manufacture of spirits), and invert sugar and all other sugar and extracts from sugar which cannot be completely tested by the polariscope and on which duty is not specially charged by this section—			
If containing 70 per cent. or more of sweetening matter - the cwt.	0	2	9
If containing less than 70 per cent. and more than 50 per cent. of sweetening matter - the cwt.	0	2	0
If containing not more than 50 per	0	1	0

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	£	s.	d.
cent. of sweetening matter - the cwt.			
The amount of sweetening matter to be taken to be the total amount of cane, invert, and other sugar contained in the article as determined by analysis in manner directed by the Commissioners of Customs.			
Glucose:			
Solid - the cwt.	0	2	9
Liquid - the cwt.	0	2	0
Saccharin (including substances of a like nature or use) - the oz.	0	1	3

and there shall, as from the first day of June nineteen hundred and one, be allowed in respect of those articles, the drawbacks set out in the Second Schedule to this Act.

Provided that, as from the nineteenth day of April up to the eleventh day of June nineteen hundred and one the duties under the headings molasses and glucose shall be deemed to have been chargeable at the rates specified in the resolution of the Committee of Ways and Means of the eighteenth day of April nineteen hundred and one; but where it is proved to the satisfaction of the Commissioners of Customs that the duty paid on any molasses imported during that period exceeds that which would have been paid after the said eleventh day of June, and that the excess has not been recovered from any person to whom the molasses may have been delivered after importation, the Commissioners of Customs may remit the excess.

- (2) The words " (except in sugar)" in the schedule to the Customs Tariff Act, 1876, are hereby repealed, but tinned and bottled apricots in syrup or water, and apricot pulp, shall not be liable to duty as preserved plums.

### **3 Export duty on coal.**

- (1) There shall, as from the nineteenth day of April nineteen hundred and one, be charged, levied, and paid on coal exported from Great Britain or Ireland a duty of one shilling per ton, but a rebate of the duty shall be allowed on any coal the value of which free on board is proved to the satisfaction of the Commissioners of Customs not to exceed six shillings per ton.

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- (2) The Treasury may, if they think fit, in any case remit the duty on any coal exported before the first day of January nineteen hundred and two, in pursuance of a contract made before the nineteenth day of April nineteen hundred and one.
- (3) Coal may be shipped on any ship, duty free, in like manner as, and subject to terms and conditions similar to those on which, stores are allowed to be shipped under the Customs Acts.
- (4) The provisions set out in the Fourth Schedule to this Act, and the modifications of the Customs Acts set out in the same schedule, shall have effect with respect to the exportation of coal and the duty thereon.
- (5) For the purposes of this Act " coal" includes culm, coke, and cinders.
- (6) In any case where the person paying the duty shall be the tenant of the mines from which the coal shall have been produced, subject to the payment of a rent or royalty, varying with the selling price of such coal, and the coal shall have been sold at a price inclusive of the duty, then the amount of such duty so paid shall in the absence of any agreement to the contrary be deducted in ascertaining the amount of such selling price for the purpose of determining the amount of the said rent or royalty.

#### 4 **Continuance of additional customs duties and drawbacks on tobacco, beer, and spirits.**

The additional duties of customs on tobacco, beer, and spirits imposed by sections two, three, four, and five of the Finance Act, 1900 (including the increased duties imposed by section five of that Act), shall continue to be charged, levied, and paid until the first day of August nineteen hundred, and two, and as regards the period for which any additional drawbacks are allowed under those sections nineteen hundred and two shall be substituted for nineteen hundred and one.

#### 5 **Excise duty on glucose, &c.**

- (1) There shall, as from the eleventh day of June nineteen hundred and one as regards the duty on glucose, and as regards the other duties under this section as from the first day of July nineteen hundred and one, be charged, levied, and paid the following duties of excise—

	£	s.	d.
On glucose made in Great Britain or Ireland,—			
Solid - the cwt.	0	2	9
Liquid - the cwt.	0	2	0
and so in proportion for any less quantity.			
On saccharin (including substances of a like	0	1	3

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	£	s.	d.
nature or use) made in Great Britain or Ireland the oz.			
and so in proportion for any less quantity.			
On a licence to be taken out annually by a manufacturer of any such glucose, or saccharin, or of invert sugar	1	0	0

and there shall be allowed in respect of glucose and saccharin the drawbacks set out in the Third Schedule to this Act,

- (2) The duty on glucose may be charged either on the quantity actually manufactured or by reference to the quantity ascertained by the Commissioners of Inland Revenue to be capable of being produced from the saccharin solution collected in a receiver to be provided by the maker and fixed and secured to the satisfaction of the Commissioners.

## 6 Continuation of additional excise duties and drawbacks on beer and spirits.

The additional duties of excise on beer and spirits imposed by sections six and seven of the Finance Act, 1900, shall continue to be charged, levied, and paid until the first day of August nineteen hundred and two, and as regards the period in respect of which any additional drawback is allowed under the said section six, nineteen hundred and two shall be substituted for nineteen hundred and one.

## 7 Provisions as to duty on manufactured articles and time of importation of goods.

- (1) Where any manufactured, or prepared goods contain, as a part or ingredient thereof, any article liable to any duty of customs, duty shall be charged in respect of such quantity of the article as shall appear to the satisfaction of the Treasury to be used in the manufacture or preparation of the goods, and in the case of goods so containing more than one such article, shall be charged in a similar manner on each article liable to duty at the rates of duty respectively applicable thereto, unless the Treasury shall be of opinion that it is necessary for the protection of the revenue that duty should be charged in accordance with the Customs Tariff Act, 1876.

Any rebate which can be allowed by law on any article when separately charged shall be allowed in charging goods under this section in respect of the quantity of that article used in the manufacture or preparation of the goods.

- (2) As respects the first levying or repealing of any duty of customs (including any duty imposed by this Act), the time at which the importation of any goods shall be deemed to have had effect shall be the time at which the entry of the goods under the Customs Act is delivered instead of the time mentioned in section forty of the Customs Consolidation Act, 1876.

## **8 Regulations as to saccharin, &c.**

The Commissioners of Customs and the Commissioners of Inland Revenue may jointly make regulations as to the delivery of molasses to, and the use of molasses by, a licensed distiller without payment of duty or upon drawback as allowed by this Act, and also as to the importation, labelling, wrapping, and sale of any saccharin (including substances of a like nature or use) and as to the proof to be required that a label has not been previously used, and may by those regulations apply any of the enactments relating to stamps to the labels to be used, and if any person imports or makes any such saccharin or delivers or uses molasses without complying with those regulations, or sells, exposes for sale, or offers, or keeps for sale any such saccharin in respect of which those regulations have not been complied with, the saccharin or molasses, as the case may be, shall be forfeited, and that person shall be liable in respect of each offence, to an excise penalty of fifty pounds,

## **9 Regulations as to excise duty on glucose, &c.**

The Commissioners of Inland Revenue may make regulations prohibiting the manufacture of glucose, saccharin, or invert sugar, except by persons holding a licence and having made entry for the purpose, and for fixing the date of expiration of the licence, and also for regulating the manufacture of glucose with a view to securing and collecting the excise duty imposed by this Act, and may by those regulations apply any enactments relating to the excise duty or drawback on beer, and to brewers of beer, to the excise duty and drawback on glucose, and to manufacturers of glucose, and if any person acts in contravention of, or fails to comply with, any of those regulations, the article in respect of which the offence is committed shall be forfeited, and the person committing the offence shall be liable in respect of each offence to an excise penalty of fifty pounds.

## **10 Addition or deduction of new or altered duties in the case of contract.**

- (1) Where any new customs import duty or new excise duty is imposed, or where any customs import duty or excise duty is increased, and any goods in respect of which the duty is payable are delivered after the day on which the new or increased duty takes effect in pursuance of a contract made before that day, the seller of the goods may, in the absence of agreement to the contrary, recover, as an addition to the contract price, a sum equal to any amount paid by him in respect of the goods on account of the new duty or the increase of duty, as the case may be.
- (2) Where any customs import duty or excise duty is repealed or decreased, and any goods affected by the duty are delivered after the day on which the duty ceases or the decrease in the duty takes effect in pursuance of a contract made before that day, the purchaser of the goods, in the absence of agreement to the contrary, may, if the seller of the goods has had in respect of those goods the benefit of the repeal or decrease of the duty, deduce from the contract price a sum equal to the amount of the duty or decrease of duty, as the case may be.
- (3) Where any addition to or deduction from the contract price may be made under this section on account of any new or repealed duty, such sum as may be agreed upon or in default of agreement determined by the Commissioners of Customs in the case of a customs duty, and by the Commissioners of Inland Revenue in the case of an excise duty, as representing in the case of a new duty any new expenses incurred, and in the

case of a repealed duty any expenses saved, may be included in the addition to or deduction from the contract price, and may be recovered or deducted accordingly.

- (4) This section shall be deemed to have had effect as from the nineteenth day of April nineteen hundred and one, and section twenty of the Customs Consolidation Act. 1876, and section eight of the Finance Act, 1900, are hereby repealed.

## **PART II**

### **STAMPS**

#### **11 Provision as to continuation clauses in policies of sea insurance.**

- (1) Notwithstanding anything contained in the Stamp Act, 1891, a policy of sea insurance made for time may contain a continuation clause as defined in this section, and such a policy shall not be invalid on the ground only that by reason of the continuation clause it may become available for a period exceeding twelve months.
- (2) There shall be charged on a policy of sea insurance containing such a continuation clause a stamp duty of sixpence in addition to the stamp duty which is otherwise chargeable on the policy.
- (3) If the risk covered by the continuation clause attaches and a new policy is not issued covering the risk, the continuation clause shall be deemed to be a new and separate contract of sea insurance expressed in the policy in which it is contained, but not covered by the stamp thereon, and the policy shall be stamped in respect of that contract accordingly, but may be so stamped without penalty at any time not exceeding thirty days after the risk has so attached.
- (4) For the purposes of this section, the expression " continuation clause" means an agreement to the following or the like effect, namely, that in the event of the ship being at sea or the voyage otherwise not completed on the expiration of the policy, the subject-matter of the insurance shall be held covered until the arrival of the ship, or for a reasonable time thereafter not exceeding thirty days,

## **PART III**

### **INCOME TAX AND INHABITED HOUSE DUTY**

#### **12 Income tax for 1901-1902.**

- (1) Income tax for the year beginning on the sixth day of April nineteen hundred and one shall be charged at the rate of one shilling and twopence.
- (2) All such enactments relating to income tax as were in force on the fifth day of April nineteen hundred and one shall have full force and effect with respect to the duty of income tax hereby granted.
- (3) The annual value of any property, which has been adopted for the purpose either of income tax under Schedules A. and B. in the Income Tax Act, 1853, or of inhabited house duty, during the year ending on the fifth day of April nineteen hundred and one,

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shall be taken as the annual value of such property for the same purpose during the next subsequent year; provided that this subsection—

- (a) so far as respects the duty on inhabited houses in Scotland, shall be construed with the substitution of the twenty-fourth day of May for the fifth day of April; and
  - (b) shall not apply to the metropolis as defined by the Valuation (Metropolis) Act, 1869.
- (4) Section thirty-eight of the Finance Act, 1894 (which relates to duty on dividends, &c. paid prior to the passing of the Act), shall be applied with respect to the year which commenced on the sixth day of April nineteen hundred and one, as it was applied with respect to the year which commenced on the sixth day of April one thousand eight hundred and ninety-four.

**13 Inhabited house duty on lodging houses.**

Subsection one of section twenty-six of the Customs and Inland Revenue Act, 1890 (which relates to the reduction of inhabited house duty in the case of lodging-houses), shall be read with the substitution of the first day of October for the first day of July as the day before which registration is to be effected, and of the first day of November for the first day of October as the day before which application must be made for the reduction of the rate of charge.

**PART IV**

NATIONAL DEBT

**14 Continuance of suspension of new sinking fund and payments on account of terminable annuities.**

Sections sixteen and seventeen of the Finance Act, 1900 (which relate to the suspension of the new sinking fund and to the suspension of payments on account of the capital of certain terminable annuities), shall apply with respect to the financial year ending on the thirty-first day of March nineteen hundred and two in the same manner as they apply with respect to the financial year ending the thirty-first day of March nineteen hundred and one.

**PART V**

GENERAL

**15 Short title and construction.**

- (1) This Act may be cited as the Finance Act, 1901.
- (2) Part I. of this Act, so far as it relates to duties of customs, shall be construed together with the Customs Consolidation Act, 1876, and the Acts amending that Act (in this Act referred to as the Customs Acts), and so far as it relates to duties of excise shall be construed together with the Acts which relate to the duties of excise and the management of those duties.



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## SCHEDULES.

### FIRST SCHEDULE

Section 2.

TABLE SHOWING INTERMEDIATE DUTIES ON SUGAR

Degrees of Polarisation.	Percentage of the Maximum Duty of 4s. 2d.	Duty per Cwt.	
		<i>s.</i>	<i>d.</i>
Exceeding 76 and not exceeding 77	49.6	2	0.8
Exceeding 77 and not exceeding 78	51.2	2	1.6
Exceeding 78 and not exceeding 79	52.8	2	2.4
Exceeding 79 and not exceeding 80	54.4	2	3.2
Exceeding 80 and not exceeding 81	56	2	4
Exceeding 81 and not exceeding 82	57.6	2	4.8
Exceeding 82 and not exceeding 83	59.2	2	5.6
Exceeding 83 and not exceeding 84	61	2	6.5
Exceeding 84 and not exceeding 85	62.8	2	7.4
Exceeding 85 and not exceeding 86	64.6	2	8.3
Exceeding 86 and not exceeding 87	66.4	2	9.2
Exceeding 87 and not exceeding 88	68.4	2	10.2
Exceeding 88 and not exceeding 89	70.4	2	11.2
Exceeding 89 and not exceeding 90	72.8	3	0.4

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Degrees of Polarisation.	Percentage of the Maximum Duty of 4s. 2d.		Duty per Cwt.
Exceeding 90 and not exceeding 91	75.2	3	1.6
Exceeding 91 and not exceeding 92	77.6	3	2.8
Exceeding 92 and not exceeding 93	80	3	4
Exceeding 93 and not exceeding 94	82.4	3	5.2
Exceeding 94 and not exceeding 95	84.8	3	6.4
Exceeding 95 and not exceeding 96	87.2	3	7.6
Exceeding 96 and not exceeding 97	89.6	3	8.8
Exceeding 97 and not exceeding 98	92	3	10

## SECOND SCHEDULE

Section 2.

*(1) Drawbacks to be allowed on Articles exported or deposited in any bonded Warehouse for Use as Ships' Stores or removed to the Isle of Man, if it is shown to the satisfaction of the Commissioners of Customs that the Duties on Importation have been duly paid.*

On sugar which has passed a refinery in Great Britain or Ireland a drawback equal to the duty on sugar of the like polarisation.

On goods (other than beer) in the manufacture or preparation of which in Great Britain or Ireland any of the articles liable to duty has been used, a drawback equal to the duty in respect of the quantity of that article which appears to the satisfaction of the Treasury to have been used in the manufacture or preparation of the goods or, in the case of residual products, to be contained therein, and in allowing that drawback the Commissioners of Customs may, with the assent of the Treasury, in order to facilitate trade, relax in the case of any goods any requirements of sections one hundred and four and one hundred and six of the Customs Consolidation Act, 1876, as to the giving of security and the examination of goods.

*(2) Drawback to be allowed to a Refiner on Molasses produced in Great Britain or Ireland and delivered by him to a Licensed Distiller for use in the manufacture of Spirits.*

A drawback at the rate of one shilling the hundredweight.

### THIRD SCHEDULE

Section 5.

*Drawbacks to be allowed on Articles exported from Great Britain or Ireland as Merchandise or shipped for use as Ships' Stores if it is shown to the satisfaction of the Commissioners of Inland Revenue that the Excise Duty has been duly paid*

On glucose and saccharin liable to duty, a drawback equal to the duty imposed.

On goods (other than beer) in the manufacture or preparation of which in Great Britain or Ireland any glucose or saccharin liable to duty has been used, a drawback equal to the duty in respect of the quantity of glucose or saccharin which appears to the satisfaction of the Treasury to have been used in the manufacture or preparation.

### FOURTH SCHEDULE

Section 3.

#### *Provisions as to Exportation, of Coal*

- 1 Coal shall not be shipped for exportation from Great Britain or Ireland or carriage coastwise unless entry and clearance thereof have been made before shipment in such manner as the Commissioners of Customs direct.
- 2 The Commissioners of Customs may, if they think fit, require security (similar to that which they may require under section one hundred and four of the Customs Consolidation Act, 1876), for the due carriage coastwise of coal.
- 3 If any person ships or attempts to ship coal without complying with or in contravention of the foregoing provisions in this schedule, or if the master of a ship commits an offence under section one hundred and forty-two of the Customs Consolidation Act, 1876 (which relates to deviations from coasting voyages), he shall be liable to the same penalty to which a person is liable under section one hundred and eighty-six of the Customs Consolidation Act, 1876, for illegally importing goods the importation of which is prohibited.
- 4 The exporter or shipper of any coal, or his agent shall, on being required by the Commissioners of Customs, produce all bills of lading, weight notes, or other documents relating to the coal, and if he fails to do so, shall be liable to a penalty not exceeding twenty pounds.
- 5 The Treasury may, if they think fit, restrict or limit the exportation from the Isle of Man of any coal in the same manner as they may restrict the importation into the Isle of Man of any foreign goods under section two hundred and eighty-three of the Customs Consolidation Act, 1876.
- 6 In the event of the coal duty being paid by a colliery proprietor upon coal sold by him free on board to a purchaser in pursuance of a contract made before the nineteenth day of April nineteen hundred and one, the seller may, in the absence of agreement to the contrary, recover as an addition to the contract price of the coal a sum equal to the amount of duty so paid, unless the purchaser shows that the coal has been applied for the purpose of fulfilling a contract made by him before the nineteenth day of April nineteen hundred and one for the sale of the coal at a specified price.

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*Modifications of Customs Acts as to Exportation of Coal*

- 1 Section thirty of the Customs Consolidation Act, 1876 (which relates to the deposit of duty in case of dispute), shall apply with respect to the duty on coal with the substitution of " coal " for " goods admissible for home consumption," of " exporter " for " importer," and of " exportation " for " importation."
- 2 Sections sixteen, one hundred, and one hundred and two of the Customs Consolidation Act, 1876 (which relate to the shipping and water-carriage of goods), shall apply to coals in the same manner as they apply to drawback goods.
- 3 The security to be given under section one hundred and four of the Customs Consolidation Act, 1876, on the exportation of coal shall be such as to secure, in addition to the matters mentioned in that section, the correctness of the entry of the coal for export and the amount of the duty payable.
- 4 Section one hundred and forty-eight of the Customs Consolidation Act, 1876 (which relates to the entering outwards without landing of goods carried coastwise), shall apply in the case of coal, notwithstanding that coal is liable to duty.