



# Finance (1909-10) Act 1910

## 1910 CHAPTER 8

### PART I

#### DUTIES ON LAND VALUES.

##### *Increment Value Duty.*

#### **1 Duty on increment value.**

Subject to the provisions of this Part of this Act, there shall be charged, levied, and paid on the increment value of any land a duty, called increment value duty, at the rate of one pound for every complete five pounds of that value accruing after the thirtieth day of April nineteen hundred and nine, and—

- (a) on the occasion of any transfer on sale of the fee simple of the land or of any interest in the land, in pursuance of any contract made after the commencement of this Act, or the grant, in pursuance of any contract made after the commencement of this Act, of any lease (not being a lease for a term of years not exceeding fourteen years) of the land; and
- (b) on the occasion of the death of any person dying after the commencement of this Act, where the fee simple of the land or any interest in the land is comprised in the property passing on the death of the deceased within the meaning of sections one and two, subsection, (1) (a), (b), and (c), and subsection three, of the Finance Act, 1894, as amended by any subsequent enactment; and
- (c) where the fee simple of the land or any interest in the land is held by any body Corporate or by any body unincorporate as defined by section twelve of the Customs and Inland Revenue Act, 1885, in such a manner or on such permanent trusts that the land or interest is not liable to death duties, on such periodical occasions as are provided in this Act,

the duty, or proportionate part of the duty, so far as it has not been paid on any previous occasion, shall be collected in accordance with the provisions of this Act.

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## **2 Definition of increment value.**

- (1) For the purposes of this Part of this Act the increment value of any land shall be deemed to be the amount (if any) by which the site value of the land, on the occasion on which increment value duty is to be collected as ascertained in accordance with this section, exceeds the original site value of the land as ascertained in accordance with the general provisions of this-Part of this Act as to valuation.
- (2) The site value of the land on the occasion, on which increment value duty is to be collected shall be taken to be—
  - (a) where the occasion is a transfer on sale of the fee simple of the land, the value of the consideration for the transfer ; and
  - (b) where the occasion is the grant of any lease of the land, or the transfer on sale of any interest in the land, the value of the fee simple of the land, calculated on the basis of the value of the consideration for the grant of the lease or the transfer of the interest; and
  - (c) where the occasion is the death of any person, and the fee simple of the land is property passing on that death, the principal value of the land as ascertained for the purposes of Part I. of the Finance Act, 1894, and where any interest in the land is property passing on that death the value of the fee simple of the land calculated on the basis of the principal value of the interest as so ascertained ; and
  - (d) where the occasion is a periodical occasion on which the duty is to be collected in respect of the fee simple of any land or of any interest in any land held by a body corporate or unincorporate, the total value of the land on that occasion to be estimated in accordance with the general provisions of this Part of this Act as to valuation ;

subject in each, case to the like deductions as are made, under the general provisions of this Part of this Act as to valuation, for the purpose of arriving at the site value of land from the total value.

- (3) Where it is proved to the Commissioners on an application made for the purpose within the time fixed by this section that the site value of any land at the time of any transfer on sale of the fee simple of the land or of any interest in the land, which took place at any time within twenty years before the thirtieth day of April, nineteen hundred and nine, exceeded the original site value of the land as ascertained under this Act, the site value at that time shall be substituted, for the purposes of increment value duty, for the original site value as so ascertained, and the provisions of this Part of this Act shall apply accordingly.

Site value shall be estimated for the purposes of this provision by reference to the consideration given on the transfer in the same manner as it is estimated by reference to the consideration given on a transfer where increment value duty is to be collected on the occasion of such a transfer after the passing of this Act.

This provision shall apply to a mortgage of the fee simple of the land or any interest in land in the same manner as it applies to a transfer, with the substitution of the amount secured by the mortgage for the consideration.

An application for the purpose of this section must be made within three months after the original site value of the land has been finally settled under this Part of this Act.

### **3 General provisions as to collection of increment value duty.**

- (1) On each occasion on which increment value duty is collected on the increment value of any land, such an amount of duty shall be deemed to be unsatisfied as the Commissioners determine, after giving credit for the amount of duty paid on previous occasions. The Commissioners shall make such apportionments and re-apportionments of any duty paid on previous occasions as they think necessary for the purpose of giving effect to this provision.
- (2) Where increment value duty is collected on the occasion of the transfer or passing on death of the fee simple of any land, or on any periodical occasion in the case of land held in fee simple by a body corporate or unincorporate, the whole amount of the duty which is determined to be unsatisfied shall be collected by the Commissioners in accordance with rules made by them for the purpose.
- (3) Where increment value duty is collected on the occasion of the grant of a lease, or on the transfer or passing on death of any interest in land, or on any periodical occasion in the case of an interest in land held by a body corporate or unincorporate, such proportionate part of the duty shall be collected as may be determined by the Commissioners to be payable in respect of the interest in land created, transferred, passing on death, or held, in accordance with rules made by them for the purpose.
- (4) Where on the occasion of the death of any person the property passing on the death comprises settled land in which the deceased or any other person had an interest ceasing on the death of the deceased, then—
  - (a) if the subject of the settlement at the time of the death is the fee simple of the land, increment value duty shall be collected as if the fee simple of the land passed; and
  - (b) if the subject of the settlement at the time of the death is any other interest in the land, increment value duty shall be collected as if that interest passed;but that duty shall not be collected on any such occasion if under the provisions of section five of the Finance Act, 1894, as amended by any subsequent enactment, estate duty is not payable in respect of the settled land.
- (5) For the purpose of the collection of duty on the increment value of any land under this section, the increment value shall be deemed to be reduced on the first occasion for the collection of increment value duty by an amount equal to ten per cent. of the original site value of the land, and on any subsequent occasion by an amount equal to ten per cent. of the site value on the last preceding occasion for the collection of increment value duty, and the amount of duty to be collected shall be remitted in whole or in part accordingly.

Any duty which by reason of this provision is remitted on any occasion shall not be collected and shall be deemed to have been paid:

Provided that no remission shall be given under this provision on any occasion which will make the amount of the increment value on which duty has been remitted during the preceding period of five years exceed twenty-five per cent. of the site value of the land on the last occasion for the collection of increment value duty prior to the commencement of that period or of the original site value if there has then been no such occasion.

- (6) Increment value duty shall be a stamp duty collected and recovered in accordance with the provisions of this Act.

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#### **4 Collection and recovery of duty in cases of transfers and leases.**

- (1) On any transfer on sale of the fee simple of any land or of any interest in land, or on the grant of any lease of any land for a term exceeding fourteen years, increment value duty shall be assessed by the Commissioners and paid by the transferor or lessor, as the case may be.
- (2) It shall be the duty of the transferor or lessor, on the occasion of any transfer on sale of the fee simple of any land or of any interest in land or on the grant of any lease of any land for a term exceeding fourteen years, to present to the Commissioners, in accordance with regulations made by them, the instrument by means of which the transfer or the lease is effected or agreed to be effected or reasonable particulars thereof for the purpose of the assessment of duty thereon, and, if the transferor or lessor fails to comply with this provision, he shall be liable on summary conviction to a fine not exceeding ten pounds, and to pay interest at the rate of five per cent. per annum on any duty ultimately payable by him as from the date on which the instrument has been executed, but any person aggrieved by any conviction or order of a court of summary jurisdiction under this provision may appeal therefrom to a court of quarter sessions.
- (3) Any such instrument shall not, for the purposes of section fourteen of the Stamp Act, 1891, and notwithstanding anything in section twelve of that Act, be deemed to be duly stamped unless it is stamped—
  - (a) either with a stamp denoting that the increment value duty has been assessed by the Commissioners and paid in accordance with the assessment; or
  - (b) with a stamp denoting that all particulars have been delivered to the Commissioners, which, in their opinion, are necessary for the purpose of enabling them to assess the duty, and that security has been given for the payment of duty in any case where the Commissioners have required security; or
  - (c) with a stamp denoting that upon the occasion in question no increment value duty was payable;but where an instrument is so stamped, it shall, notwithstanding any objection" relating to the increment value duty, be deemed to be duly stamped so far as respects that duty.
- (4) Any duty assessed by the Commissioners under this -section shall be a debt due to the Crown from the transferor or lessor, as the case may be, and for the purpose of calculating the amount of increment value duty to be collected on any subsequent occasion shall be deemed to have been paid.
- (5) Regulations may be made by the Commissioners with respect to the mode in which any instrument is to" be presented to them in order to be dealt with under this section, and for dispensing with the presentation of any instrument, or particulars thereof, in cases where arrangements are made for obtaining those particulars through any registry of lands, deeds, or title, or through a Register of Sasines, and with respect to the mode in which any application for a return of duty under this section is to be made, and for the payment of any increment value duty by instalments in the case of any lease or transfer on sale where the consideration is in the form of a periodical payment; and the Commissioners shall deal with any instrument presented to them and allow payment by instalments in accordance with those regulations. The regulations shall provide that where the duty to be collected on the grant of a lease is payable by instalments, and the lease is determined before all such instalments have fallen due, the instalments which have not fallen due shall be. remitted, and that in that case the amount of duty which, under this section, is deemed to have been paid shall be reduced by the amount of the instalments so remitted:

- (6) In any case where increment value duty shall have been paid under the provisions of this section, but the transaction in respect of which the duty shall have been paid was subsequently not carried, into execution, the duty shall be returned to the transferor or lessor on his making application to the Commissioners within two years after the payment of the duty in accordance with regulations to be made by them under this section, and in that case the duty returned shall not be deemed to have been paid for the purposes of this section.
- (7) Where any agreement for a transfer or agreement for a lease is stamped in accordance with this section, it shall not be necessary to stamp any conveyance, assignment, or lease made subsequently to and in conformity with the agreement, but the Commissioners shall, if an application is made to them for the purpose, denote on the conveyance, assignment, or lease the amount of duty paid.

## **5 Collection and recovery of duty in case of death.**

The provisions as to the assessment, collection, and recovery of estate duty under the Finance Act, 1894, shall apply as if increment value duty to be collected on the occasion of the death of any person were estate duty; but, where any interest in land in respect of which increment value duty is payable is property passing to the personal representative as such, the duty shall be payable out of that interest in land in exoneration of the rest of the deceased's estate, and shall be collected upon an account to be delivered by the personal representative, setting forth the particulars of the increment value in respect of the property :

Provided that in respect of all property of the deceased, other than that assessed to increment value duty, the Crown shall, as a creditor in respect of such increment value duty, rank *pari passu* with the other creditors of the deceased.

## **6 Collection and recovery of duty in case of property held by bodies corporate or unincorporate.**

- (1) Where the fee simple of any land or any interest in land is held by any body corporate or by any body unincorporate, as defined by section twelve of the Customs and Inland Revenue Act, 1885, in such a manner or on such permanent trusts that the land or interest is not liable to death duties, the occasions on which increment value duty is to be collected shall be the fifth day of April in the year nineteen hundred and fourteen and in every subsequent fifteenth year.
- (2) The account to be delivered under section fifteen of the Customs and Inland Revenue Act, 1885, shall, in the case of the account to be delivered in the year nineteen hundred and fourteen and in every subsequent fifteenth year, contain an account of the increment value of the land, as on the preceding fifth day of April, and that section shall, save as in this Act is hereafter provided, apply for the purpose of increment value duty, whether the body corporate or unincorporate are chargeable with duty under Part II. of the Customs and Inland Revenue Act, 1885, or not. ,
- (3) The provisions of sections thirteen to eighteen, of subsection (1) of section nineteen, and of section twenty of the Customs and Inland Revenue Act, 1885 (with the exception of any provisions relating to appeals), shall have effect for the purpose of the assessment and recovery of increment value duty as they have effect for the purpose of the duty charged under section eleven of that Act:

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Provided that increment value duty may, if the body corporate or unincorporate chargeable therewith so desire, be paid by fifteen equal yearly instalments, and the first instalment shall be due immediately after the assessment of the duty.

Any part of any duty so payable by instalments may be paid up at any time.

- (4) Any increment value duty assessed by the Commissioners on an account delivered in accordance with this section shall, for the purpose of determining the amount of increment value duty to be collected on any subsequent occasion, be deemed to have been paid.
- (5) Nothing in this section shall affect the collection of increment value duty on the occasion of the grant of any lease or the transfer on sale of the fee simple of any land or any interest in land by a body corporate or unincorporate, or oblige an account to be delivered of the increment value of any land on any periodical occasion, if, under the subsequent provisions of this Part of this Act, increment value duty in respect thereof is not to be collected on that occasion.

## **7 Exemption for agricultural land.**

Increment value duty shall not be charged in respect of agricultural land while that land has no higher value than its market value at the time" for agricultural purposes only :

Provided that any value of the land for sporting purposes, or for other purposes dependent upon its use as agricultural land, shall be treated as value for agricultural purposes only, except where the value for any such purpose exceeds the agricultural value of the land.

## **8 Exemption of small houses and properties in owner's occupation.**

- (1) Increment value duty shall not be charged on the increment value of any land, being the site of a dwelling-house, where immediately before the occasion on which the duty is to be collected the house was, and had been for twelve months previously, used by the owner thereof as his residence, and the annual value of the house, as adopted for the purpose of income tax under Schedule A, does not exceed—
  - (a) in the case of a house situated in the administrative county of London, forty pounds ; and
  - (b) in the case of a house situated in a borough or urban district with a population according to the last-published Census for the time being of fifty thousand or upwards, twenty-six pounds ; and
  - (c) in the case of a house situated elsewhere, sixteen pounds.
- (2) Increment value duty shall not be charged on the increment value of any agricultural land where, immediately before the occasion on which the duty is to be collected, the land was, and had been for twelve months previously, occupied and cultivated by the owner thereof, and the total amount of that land, together with any other land belonging to the same owner, does not exceed fifty acres, and the average total value of the land does not exceed seventy-five pounds per acre:

Provided that the exemption under this provision shall not apply to any land occupied together with a dwelling-house the annual value of which, as adopted for income tax under Schedule A, exceeds thirty pounds.

- (3) Where a dwelling-house is valued for the purposes of income tax under Schedule A. together with other land, and it is necessary for the purpose of this section to determine the annual value of the dwelling-house, the total annual value shall be divided between the dwelling-house and the other land in such manner as the Commissioners may determine.
- (4) For the purposes of this section—
  - (a) the expression "owner" includes a person who holds land under a lease which was originally granted for a term of fifty years or more; but in such a case nothing in this section shall prevent the collection of increment value duty so far as it is payable in respect of any other interest in the land other than that leasehold interest; and
  - (b) the site of a dwelling-house shall include any offices, courts, and yards, and gardens not exceeding one acre in extent, occupied together with the dwelling-house.
- (5) Any increment value duty which would, but for this section, be charged shall, for the purpose of the provisions of this Act as to the collection of the duty, be deemed to have been paid.

## **9 Special provision for increment value duty in the case of land used for games and recreation.**

Increment value duty shall not be collected on any periodical occasion in respect of the fee simple of, or any interest in, any land which is held by any body corporate or unincorporate, without any view to the payment of any dividend or profit out of the revenue thereof, *bonâ fide* for the purpose of games or other recreation, if the Commissioners are satisfied that the land is so used under some agreement with the owner which as originally made could not be determined for a period of at least five years, or under other circumstances' which render it probable that the land will continue to be so used, without prejudice, however, to the collection of the duty on any other occasion.

## **10 Provision as to Crown lands, &c.**

- (1) Any increment value duty in respect of the fee simple of, or any interest in, any land held by, or in trust for, His Majesty or any department of Government, which would have been collected on any occasion had it been held by a private person, shall for the purposes of the provisions of this Act as to the collection of increment value duty be deemed to have been paid.
- (2) Neither section seventy-seven of the Crown Lands Act, 1829, nor section thirty-eight of the Post Office Act, 1908, nor any other enactment exempting from stamp duty any document made or executed on behalf of, or for the purpose of, the Crown or any Government department, shall apply so as to prevent increment value duty being collected on any instrument by which the transfer on sale of the fee simple of, or any interest in, any land, or the grant of any lease of any land, to the Crown or to any Government department, or to any officer on behalf of, or for the purposes of, the Crown or any Government department, is effected or agreed to be effected.

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

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## **11 Special provision as to flats.**

Where a building is used for the purpose of separate tenements, flats, or dwellings, the grant of a lease of any such separate tenement, flat, or dwelling, and the transfer on sale or passing on death of any lease of any such separate tenement, flat, or dwelling, shall not be an occasion on which increment value duty is to be collected under this Act, nor shall duty be collected on any periodical occasion from a body corporate or unincorporate where the interest held by the body is only a leasehold interest in any such separate tenement, flat, or dwelling.

## **12 Provision as to claims for deductions.**

A person shall not be entitled to claim any deduction for the purpose of ascertaining the site value of any land on any occasion on which increment value duty becomes payable if the deduction is one which could have been, but was not, claimed for the purpose of ascertaining the original site value of the land.

### *Reversion Duty.*

## **13 Reversion duty.**

- (1) On the determination of any lease of land there shall be charged, levied, and paid, subject to the provisions of this Part of this Act, on the value of the benefit accruing to the lessor by reason of the determination of the lease a duty, called reversion duty, at the rate of one pound for every complete ten pounds of that value.
- (2) For the purposes of this section the value of the benefit accruing to the lessor shall be deemed to be the amount (if any) by which the total value (as defined for the purpose of the general provisions of this Part of this Act relating to valuation) of the land at the time the lease determines, subject to the deduction of any part of the total value which is attributable to any works executed or expenditure of a capital nature incurred by the lessor during the term of the lease and of all compensation payable by such lessor at the determination of the lease, exceeds the total value of the land at the time of the original grant of the lease, to be ascertained on the basis of the rent reserved and payments made in consideration of the lease (including, in, cases where a nominal rent only has been reserved, the value of any covenant or undertaking to erect buildings or to expend any sums upon the property), but, where the lessor is himself entitled only to a leasehold interest, the value of the benefit as so ascertained shall be reduced in proportion to the amount by which the value of his interest is less than the value of the fee simple.

## **14 Exemptions from reversion duty, and allowances.**

- (1) Where, in the case of a reversion to a lease purchased before the thirtieth day of April nineteen hundred and nine, the lease on which the reversion is expectant determines within forty years of the date of the purchase, no reversion duty shall be charged under this Part of this Act on the determination of the lease : Provided that this exemption shall not apply where the lease is determined within forty years by agreement between the lessor and the lessee, whether express or implied, not contained in the lease itself, unless the lease would, apart from -any such agreement, have determined within that period.



- (2) No reversion duty shall be charged on the determination of the lease of any land which is at the time of the determination agricultural land, nor on the determination of a lease, the original term of which did not exceed twenty-one years, nor shall reversion duty be charged where the interest of the lessor expectant on the determination of a lease is a leasehold interest which does not exceed that number of years.
- (3) Where a lease of any land is determined before the expiration of the term of the lease by agreement between the lessor and the lessee, whether express or implied, and a fresh lease of the land is then granted to the lessee the term of which extends at least twenty-one years beyond the date on which the original lease would have expired, the Commissioners shall make an allowance in respect of the reversion duty payable of two and a half per cent. of the duty for every year of the original term of the lease which is unexpired when the lease is determined, and any sum so allowed shall be treated as having been paid:

Provided that the allowance shall not exceed fifty per cent. of the whole duty payable.

- (4) Where on any occasion on which increment value duty is due in respect of any increment value it is proved to the satisfaction of the Commissioners that reversion duty has been paid in respect of any benefit accruing to a lessor, or part of such a benefit, which is identical with the increment value, such sums as the Commissioners determine to have been paid in respect of the benefit or part of the benefit -shall be treated as being also a payment on account of increment value duty ; and where on any occasion on which reversion duty is due in respect of any benefit accruing to a lessor, it is shown to the satisfaction of the Commissioners that increment value duty has been paid on any increment value which is identical with that benefit or any part of that benefit, such sums as the Commissioners determine to have been paid in respect of that value shall be treated as being" also a payment on account of the reversion duty in respect of that benefit or part of a benefit.
- (5) Where a reversion has been mortgaged before the thirtieth day of April nineteen hundred and nine, and the mortgagee has foreclosed before the lease on which the reversion is expectant determines, the mortgagee shall not be liable to pay reversion duty in excess of the amount by which the total value of the land at the time of the determination of the lease exceeds the amount payable under the mortgage at the date of the foreclosure.

## **15 Recovery of reversion duty.**

- (1) Reversion duty shall be recoverable from any lessor to whom any benefit accrues from the determination of a lease as a debt due to His Majesty, but shall rank *pari passu* with all other debts due from such lessor.
- (2) Every lessor shall, on the determination of a lease on the determination of which reversion duty is payable under this section, deliver an account to the Commissioners setting forth the particulars of the land and the estimated value of the benefit accruing to the lessor by the determination of the lease.
- (3) If any person who is under an obligation to deliver an account under this section knowingly fails to deliver such an account within the period of three months after the determination of the lease, he shall be liable to pay to His Majesty a sum not exceeding ten per cent. upon the amount of any duty payable under this section, and a like penalty for every three months after the first month during which the failure continues.

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- (4) Section seventeen of the Customs and Inland Revenue Act, 1885 (which relates to the power to assess duty according to accounts rendered, and to obtain other accounts), shall apply with respect to any account delivered under this section (with the exception of any provisions relating to appeals).

*Undeveloped Land Duty.*

**16 Duty on site value of undeveloped land.**

- (1) Subject to the provisions of this Part of this Act, there shall be charged, levied, and paid for the financial year ending the thirty-first day of March nineteen hundred and ten, and every subsequent financial year in respect of the site value of undeveloped land a duty, called undeveloped land duty, at the rate of one halfpenny for every twenty shillings of that site value.
- (2) For the purposes of this Part of this Act, land shall be deemed to be undeveloped land if it has not been developed by the erection of dwelling-houses or of buildings for the purposes of any business, trade, or industry other than agriculture (but including glasshouses or greenhouses), or is not otherwise used bonâ fide for any business, trade, or industry other than agriculture:

Provided that—

- (a) Where any land having been so developed or used reverts to the condition of undeveloped land owing to the buildings becoming derelict, or owing to the land ceasing to be used for any business, trade, or industry other than agriculture, it shall, on the expiration of one year after the buildings have so become derelict or the land ceases to be so used, as the case may be, be treated as undeveloped land for the purposes of undeveloped land duty until it is again so developed or used ; and
- (b) Where the owner of any land included in any scheme of land development shows that he or his predecessors in title have, with a view to the land being developed or used as aforesaid, incurred expenditure on roads (including paving, curbing, metalling, and other works in connexion with roads) or sewers, that land shall, to the extent of one acre for every complete hundred pounds of that expenditure, for the purposes of this section, be treated as land so developed or used although it is not for the time being actually so developed or used, but, for the purposes of this provision, no expenditure shall be taken into account if ten years have elapsed since the date of the expenditure, or if after the date of the expenditure the land having been developed reverts to the condition of undeveloped land, and in a case where the amount of the expenditure does not cover the whole of the land included in the scheme of land development, the part of the land to be treated as land developed or used as aforesaid shall be determined by the Commissioners as being the land with a view to the development or use of which as aforesaid the expenditure has been in the main incurred.
- (3) For the purposes of undeveloped land duty, the site value of undeveloped land shall be taken to be the value adopted as the original site value or, where the site value has been ascertained under any subsequent periodical valuation of undeveloped land for the time being in force, the site value as so ascertained :

Provided that where increment value duty has been paid in respect of the increment value of any undeveloped land, the site value of that land shall, for the purposes of the assessment and collection of undeveloped land duty, be reduced by a sum equal to five times the amount paid as increment value duty.

- (4) For the purposes of undeveloped land duty undeveloped land does not include the minerals.

## **17 Exemptions from undeveloped land duty, and allowances.**

- (1) Undeveloped land duty shall not be charged in respect of any land where the site value of the land does not exceed fifty pounds per acre.
- (2) In the case of agricultural land of which the site value exceeds fifty pounds per acre, undeveloped land duty shall only be charged on the amount by which the site value of the land exceeds the value of the land for agricultural purposes.
- (3) Undeveloped land duty shall not be charged—
- (a) On the site value of any parks, gardens, or open spaces which are open to the public as of right; or
  - (b) On the site value of any woodlands, parks, gardens, or open spaces reasonable access to which is enjoyed by the public or by the inhabitants of the locality (including access regularly enjoyed by any of the naval or military forces of the Crown for the purpose of training or exercise) where, in the opinion of the Commissioners, that access is of public benefit; or
  - (c) On the site value of any land where it is shown to the Commissioners that the land is being kept free of buildings in pursuance of any definite scheme, whether framed before or after the passing of this Act, for the development of the area of which the land forms part, and where, in the opinion of the Commissioners, it is reasonably necessary in the interests of the public, or in view of the character of the surroundings or neighbourhood, that the land should be so kept free from buildings; or
  - (d) On the site value of any land which is bonâ fide used for the purpose of games or other recreation where the Commissioners are satisfied that the land is so used under some agreement with the owner which, as originally made, could not be determined for a period of at least five years, or where, in the opinion of the Commissioners, other circumstances render it probable that the land will continue to be so used.

Where any land kept free from buildings in pursuance of any definite scheme has received the benefit of an exemption from undeveloped land duty by virtue of this section, that land shall not be built upon unless the Local Government Board give their consent, on being satisfied that it is desirable in the interests of the public that the restriction on building should be removed; and any such consent may be given subject to such conditions as to the mode in which the land is to be built upon as the Local Government Board think desirable under the circumstances.

The opinion of the Commissioners as to matters which are expressed to be matters for the opinion of the Commissioners under this subsection shall be final and not subject to any appeal.

- (4) Undeveloped land duty shall not be charged on the site value of any land not exceeding an acre in extent occupied together with a dwelling-house or on the site value of any

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land being gardens or pleasure grounds so occupied when the site value of the gardens and pleasure grounds together with the site value of the dwelling-house does not exceed twenty times the annual value of the gardens, pleasure grounds, and dwelling-house as adopted for the purpose of income tax under Schedule A.:

Provided that the exemption under this provision shall not apply so as to exempt more than five acres, and where the land, gardens, or pleasure grounds occupied together with a dwelling-house exceed five acres in extent, those five acres shall be exempted which are determined by the Commissioners to be most adapted for use as gardens or pleasure grounds in connexion with the dwelling-house.

Where the dwelling-house, gardens, and pleasure grounds are valued for the purpose of income tax under Schedule A, together with other land, the total annual value shall be divided between the dwelling-house, gardens, and pleasure grounds and the other land in such manner as the Commissioners may determine.

- (5) Where agricultural land is at the time of the passing of this Act held under a tenancy originally created by a lease or agreement made or entered into before the thirtieth day of April nineteen hundred and nine, undeveloped land duty shall not be charged on the site value of the land during the original term of that lease or agreement while the tenancy continues thereunder. Provided that where the landlord has power to determine the tenancy of the whole or any part of the land, the tenancy of the land or that part of the land shall not be deemed for the purposes of this provision to continue after the earliest date after the commencement of this Act at which it is possible to determine the tenancy under that power.

**18 Exemption of small holdings from undeveloped land duty.**

Undeveloped land duty shall not be charged on the site value of any agricultural land, occupied and cultivated by the owner thereof, where the total value of that land, together with any other land belonging to the same owner, does not exceed five hundred

For the purposes of this provision the expression "owner includes a person who holds land under a lease which was originally granted for a term of fifty years or more.

**19 Recovery of undeveloped land duty.**

Undeveloped land duty shall be assessed by the Commissioners and shall be payable at any time after the first day of January of the year for which the duty is charged, and any such duty for the time being unpaid shall be recoverable from the owner of the land for the time being as a debt due to His Majesty, and shall be borne by that owner notwithstanding any contract to the contrary.

If at any time undeveloped land duty is not assessed within the year for which it is charged, owing to there being no value either shown in the provisional valuation or finally settled on which the duty can be assessed, or for any other reason, the duty may be assessed at any time, and shall be payable at any time after the expiration of two months from the date of the assessment, so, however, that no such duty shall be assessed more than three years after the expiration of the year for which it is charged.

*Mineral Rights Duty and Provisions as to Minerals.*

**20 Mineral rights duty.**

(1) There shall lie charged, levied, and paid for the financial year ending the thirty-first day of March nineteen hundred and ten and every subsequent financial year on the rental value of all rights to work minerals and of all mineral way leaves, a duty (in this Act referred to as a mineral rights duty) at the rate in each case of one shilling for every twenty shillings of that rental value.

(2) The rental value shall be taken to be—

(a) Where the right to work the minerals is the subject of a mining lease, the amount of rent paid by the working lessee in the last working year in respect of that right ; and

(b) Where minerals are being worked by the proprietor thereof, the amount which is determined by the Commissioners to be the sum which would have been received as rent by the proprietor in the last working year if the right to work the minerals had been leased to a working lessee for a term and at a rent and on conditions customary in the district, and the minerals had been worked to the same extent and in the same manner as they have been worked by the proprietor in that year :

Provided that the Commissioners shall cause a copy of their valuation of such rent to be served on the proprietor; and

(c) In the case of a mineral wayleave, the amount of rent paid by the working lessee in the last working year in respect of the wayleave:

Provided that if in any special case it is shown to the Commissioners that the rent paid by a working lessee exceeds the rent customary in the district, and partly represents a return for expenditure on the part of any proprietor of the minerals which would ordinarily have been borne by the lessee, the Commissioners shall substitute as the rental value of the right to work the minerals or the mineral wayleaves, as the case may be, such rent as the Commissioners determine would have been the rent customary in the district if the expenditure had been borne by the lessee.

(3) Every proprietor of any minerals and every person to whom any rent is paid in respect of any right to work minerals or of any mineral wayleave shall, upon notice being given to him by the Commissioners requiring him to give particulars as to the amount received by him in respect of the right or wayleave, as the case may be, and where the proprietor is working the minerals, particulars as to the minerals worked, make a return in the form required by the notice, and within the time, not being less than thirty days, specified in the notice, and in default shall be liable to a penalty not exceeding fifty pounds to be recovered in the High Court.

(4) Mineral rights duty shall be assessed by the Commissioners and shall be payable at any time after the first day of January in the year for which the duty is charged, and any such duty for the time being unpaid shall be recoverable as a debt due to His Majesty from the proprietor of the minerals, where the proprietor is working the minerals, and in any other case from the immediate lessor of the working lessee. As between the immediate lessor and the working lessee, the duty shall be borne by the immediate lessor, notwithstanding any contract to the contrary, whether made before or after the passing of this Act.

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- (5) Mineral rights duty shall not be charged in respect of common clay, common brick clay, common brick earth, or sand, chalk, limestone, or gravel.

**21 Deduction of duty in case of intermediate leases of minerals.**

- (1) Any immediate lessor who under this Act pays any mineral rights duty, and is himself a lessee of the right to work the minerals or of the wayleave in respect of which the duty is paid, shall be entitled to deduct from the rent paid by him in respect of the right to work the minerals or the wayleave, as the case may be, to his lessor a sum equal to the mineral rights duty on a rental value of the same amount as the rent payable; and any person from whose rent any such deduction is made may make a similar deduction from any rent paid by him in respect of the right to work the minerals or in respect of the wayleave, as the case may be.
- (2) Any person in receipt of rent from which a deduction may be made under this section shall allow the deduction, and the person making the deduction shall be discharged from the payment of an amount of rent equal to the amount deducted, and any contract for the payment of rent without allowing such a deduction shall be void.
- (3) If any person refuses to allow a deduction which he is required to allow under this section, he shall be liable to a penalty not exceeding fifty pounds to be recovered in the High Court.
- (4) Where in any special case mineral rights duty has been charged on a rental value based on a rent which has been substituted under the provisions of this Act for the rent actually payable by the working lessee, or where in any special case the rental value with reference to which increment value duty is charged has been reduced under the provisions of this Act for the purposes of the collection of that duty, the Commissioners shall, on the application of any lessor from whose rent a deduction may be made in respect of mineral rights duty or increment value duty, as the case may be, make a corresponding substitution or reduction as regards that rent, if they consider that the grounds for the substitution or reduction, as the case may be, are applicable in the case of the rent with respect to which the application is made.

**22 Special provisions as to increment value duty and reversion duty in the case of minerals worked or leased.**

- (1) No reversion duty shall be charged on the determination of a mining lease, and no increment value duty shall be charged on the occasion of the grant of a mining lease or in respect of minerals which are comprised in a mining lease, or are being worked, except as a duty payable annually in manner provided by this Act.
- (2) Increment value duty shall not be charged in the case of any minerals which were, on the thirtieth day of April nineteen hundred and nine, either comprised in a mining lease or being worked by the proprietor, so long as the minerals are for the time being either comprised in a mining lease, or being worked by the proprietor:
- Provided that the exemption under this section shall continue to apply in the case of any minerals, although they cease for a temporary period to be comprised in a mining lease or to be worked, so long as the period does not exceed two years.
- (3) Increment value duty in respect of the increment value of minerals which are comprised in a mining lease or are being worked shall, where that duty is chargeable, be charged annually; and the increment value shall, instead of being estimated as a

capital sum, be taken to be the sum (if any) by which, in each year during which the lease continues or the minerals are being worked, as the case may be, the rental value on which mineral rights duty is charged in respect of the right to work the minerals exceeds the annual equivalent of the original capital value of the minerals, or the capital value of the minerals on the last preceding occasion on which increment value duty has been collected otherwise than as an annual duty, if increment value duty has been so collected before the minerals have become comprised in a mining lease or have commenced to be worked ; and the annual equivalent of any such capital value of the minerals shall be taken to be two twenty-fifth parts of that capital value.

- (4) If in any case it is shown to the Commissioners that the rental value on which mineral rights duty is charged represents in part a return for money expended within fifteen years by a lessor in boring or otherwise proving the minerals, the rental value shall be reduced for the purposes of the collection of increment value duty by the amount which represents that return.
- (5) Increment value duty payable annually under this section shall, instead of being collected as provided by this Act in other cases, be recoverable in the same manner as mineral rights duty, with the same right of deduction.
- (6) Any proprietor or lessor of any minerals who pays increment value duty in pursuance of this provision shall be entitled to be relieved in any year from the payment of mineral rights duty, as such proprietor or lessor, up to the amount paid by him in that year in respect of increment value duty.

For the purposes of this provision, a deduction of any amount from the rent payable to a lessor on account of mineral rights duty shall be deemed to be a payment of that duty, and the relief may be given either by allowance or repayment or both of those means, as the occasion may require.

- (7) Where minerals cease to be comprised in a mining lease or to be worked within the meaning of this section, the capital value of the minerals at the time shall be specially ascertained in accordance with the provisions of this Act, and the capital value as so ascertained shall be treated as the original capital value of the minerals.
- (8) Nothing in this section shall apply to minerals which are exempt from mineral rights duty under this Act.

## **23 Application of provisions as to total and site value to minerals.**

- (1) For the purposes of this Part of this Act, the total value of minerals means the amount which the fee simple of the minerals, if sold in the open market by a willing seller in their then condition, might be expected to realise, and the capital value of minerals means the total value, after allowing such deduction (if any) as the Commissioners may allow for any works executed or expenditure of a capital nature incurred bonâ fide by or on behalf of any person interested in the minerals for the purpose of bringing the minerals into working, or where the minerals have been partly worked, such deduction as is, in the opinion of the Commissioners, proportionate to the amount of minerals which have not been worked.
- (2) For the purposes of valuation under this Part of this Act, all minerals shall be treated as a separate parcel of land; but, where the minerals are not comprised in a mining lease or being worked, they shall be treated as having no value as minerals, unless the proprietor of the minerals, in his return furnished to the Commissioners, specifies the nature of the minerals and his estimate of their capital

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Minerals which are comprised in a mining lease or are being worked shall be treated as a separate parcel of land, not only for the purposes of valuation, but also for the purpose of the assessment of duty under this Part of this Act.

- (3) The provisions of this Part of this Act with respect to valuation shall not apply to minerals which were, on the thirtieth day of April, nineteen hundred and nine, either comprised in a mining lease or being worked by the proprietor, so long as they are for the time being either comprised in a mining lease or being worked by the proprietor, nor shall such provisions apply to any minerals which cease for a temporary period to be comprised in a mining lease or to be worked so long as the period does not exceed two years.
- (4) Except where the context otherwise requires, any references in this Part of this Act to the site value of land shall, in cases where the land consists solely of minerals, or comprises minerals, be construed, so far as respects the minerals, as a reference to the capital value of the minerals.

## **24 Definitions for purpose of mineral provisions.**

For the purpose of the provisions of this Act as to minerals—

The expression " proprietor " means the person for the time being entitled in possession to the minerals, or to the rents and profits thereof, or any part of those rents and profits, but does not include a person entitled as lessee other than a person entitled to the possession of land comprised in a lease for any long term of years to which section sixty-five of the Conveyancing and Law of Property Act, 1881, applies;

The expression " rent " includes yearly or other rent, and shall, in addition to the meaning assigned to it for the general purposes of this Part of this Act, be construed as including any fine, premium, or foregift, and any payment, consideration, or benefit in the nature of a fine, premium, or foregift;

Where any rent is paid or rendered otherwise than in money or money's worth, the amount of the rent shall be taken to be such sum as the Commissioners consider to be the value thereof;

The expression " mining lease " means a lease for mining purposes, that is, for searching for, winning, working, getting, making merchantable, carrying away, or disposing of, mines and minerals, or purposes connected therewith, and includes an agreement for such lease, or any tenancy Or licence, whether by deed, parol, or otherwise for mining purposes, and the expressions "lessor" and " lessee " shall in addition to the meaning assigned to them for the general purposes of this Part of this Act be construed so as to include respectively a licensor and a licensee;

The expression " working lessee " means as respects the right to work minerals the lessee who is actually working the minerals, or who would have the right actually to work the minerals if the minerals were worked, and as respects mineral way-leaves the lessee who is in actual enjoyment of the way-leave, and the expression "immediate lessor" shall be construed accordingly;

The expression " working year " means the year ending the thirtieth day of September, or such other day as may in any case be approved by the Commissioners; and the expression " last working year " means the working year completed immediately before the first day of January in any financial year for which the duty is paid ;



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The expression " mineral way-leave " means any Way-leave, air-leave, water-leave, or right to use a shaft granted to or enjoyed by a working lessee, whether above or under ground, for the purpose of access to or the conveyance of the minerals, or the ventilation or drainage of his mine or otherwise in connexion with the working of the minerals.

Where any minerals are at any time being worked by means of any colliery, mine, quarry, or open working, all the minerals which belong to the same proprietor, if the minerals are being worked by the proprietor, or which the lessee has power to work if the minerals are being worked by a lessee, and which would, in the ordinary course of events, be worked by the same colliery, mine, quarry, or open working, shall be deemed to be minerals which are being worked at that date.

Minerals which are being won for the purpose of being immediately worked shall be deemed to be minerals which are being worked.

Minerals shall be deemed to be comprised in a mining lease if the right to work the minerals is the subject of a mining lease, or if the minerals are being worked under the terms of such a lease, although the lease has expired.

Where the circumstances of a district are such that in the opinion of the Commissioners it is impracticable to fix any sum which satisfactorily represents a rent customary in the district, the rent which would be paid under similar circumstances and ordinary conditions elsewhere than in the district shall be substituted for the rent customary in the district.

*Valuation for Purposes of Duties on Land Values.*

**25 Definition of values of land.**

- (1) For the purposes of this Part of this Act, the gross value of land means the amount which the fee simple of the land, if sold at the time in the open market by a willing seller in its then condition, free from incumbrances, and from any burden, charge, or restriction (other than rates or taxes) might be expected to realise.
- (2) The full site value of land means the amount which remains after deducting from the gross value of the land the difference (if any) between that value and the value which the fee simple of the land, if sold at the time in the open market by a willing seller, might be expected to realise if the land were divested of any buildings and of any other structures (including fixed or attached machinery) on, in, or under the surface, which are appurtenant to or used in connection with any such buildings, and of all growing timber, fruit trees, fruit bushes, and other things growing thereon.
- (3) The total value of land means the gross value after deducting the amount by which the gross value would be diminished if the land were sold subject to any fixed charges and to any public rights of way or any public rights of user, and to any right of common and to any easements affecting the land, and to any covenant or agreement restricting the use of the land entered into or made before the thirtieth day of April nineteen hundred and nine, and to any covenant or agreement restricting the use of the land entered into or made on or after that date, if, in the opinion of the Commissioners, the restraint imposed by the covenant or agreement so entered into or made on or after that date was when imposed desirable in the interests of the public, or in view of the character

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and surroundings of the neighbourhood, and the opinion of the Commissioners shall in this case be subject to an appeal to the referee, whose decision shall be final.

- (4) The assessable site value of land means the total value after deducting—
- (a) The same amount as is to be deducted for the purpose of arriving at full site value from gross value; and
  - (b) Any part of the total value which is proved to the Commissioners to be directly attributable to works executed, or expenditure of a capital nature (including any expenses of advertisement) incurred bonâ fide by or on behalf of or solely in the interests of any person interested in the land for the purpose of improving the value of the land as building land, or for the purpose of any business, trade, or industry other than agriculture; and
  - (c) Any part of the total value which is proved to the Commissioners to be directly attributable to the appropriation of any land or to the gift of any land by any person interested in the land for the purpose of streets, roads, paths, squares, gardens, or other open spaces for the use of the public; and
  - (d) Any part of the total value which is proved to the Commissioners to be directly attributable to the expenditure of money on the redemption of any land tax, or any fixed charge, or on the enfranchisement of copyhold land or customary freeholds, or on effecting the release of any covenant or agreement restricting the use of land which may be taken into account in ascertaining the total value of the land, or to goodwill or any other matter which is personal to the owner, occupier, or other person interested for the time being in the land ; and
  - (e) Any sums which, in the opinion of the Commissioners, it would be necessary to expend in order to divest the land of buildings, timber, trees, or other things of which it is to be taken to be divested for the purpose of arriving at the full site value from the gross value of the land and of which it would be necessary to divest the land for the purpose of realising the full site value.

Where any works executed or expenditure incurred for the purpose of improving the value of the land for agriculture have actually improved the value of the land as building land, or for the purpose of any business, trade, or industry other than agriculture, the works or expenditure shall, for the purpose of this provision, be treated as having been executed or incurred also for the latter purposes.

Any reference in this Act to site value (other than the reference to the site value of land on an occasion on which increment duty is to be collected) shall be deemed to be a reference to the assessable site value of the land as ascertained in accordance with this section.

- (5) The provisions of this section are not applicable for the purpose of the valuation of minerals.

## **26 Valuation of land for purposes of Act.**

- (1) The Commissioners shall, as soon as may be after the passing of this Act, cause a valuation to be made of all land in the United Kingdom, showing separately the total value and the site value respectively of the land, and in the case of agricultural land the value of the land for agricultural purposes where that value is different from the site value. Each piece of land which is under separate occupation, and, if the owner so requires, any part of any land which is under separate occupation, shall be separately valued, and the value shall be estimated as on the thirtieth day of April nineteen hundred and nine.

- (2) Any owner of land and any person receiving rent in respect of any land shall, on being required by notice from the Commissioners, furnish to the Commissioners a return containing such particulars as the Commissioners may require as to the rent received by him, and as to the ownership, tenure, area, character, and use of the land, and the consideration given on any previous sale or lease of the land, and any other matters which may properly be required for the purpose of the valuation of the land, and which it is in his power to give, and, if any owner of land or person receiving any rent in respect of the land is required by the Commissioners to make a return under this section, and fails to make -such a return within the time, not being less than thirty days, specified in the notice requiring a return, he shall be liable to a penalty not exceeding fifty pounds to be recoverable in the High Court.
- (3) Any owner of land may, if he thinks fit, furnish to the Commissioners his estimate of the total value or site value or both of the land, and the Commissioners, in making their valuation, shall consider any estimate so furnished.

## **27 Ascertainment of the original site value of land.**

- (1) The Commissioners shall cause a copy of their provisional valuation of any land to be served on the owner of the land, and, unless objection is taken to the provisional valuation in manner provided by this section, the values shown-in the provisional valuation shall be adopted as the original total value and the original site value respectively for the purposes of this Part of this Act.
- (2) If the owner considers that the total or site value, as stated in any provisional valuation, is not correct, he may, with a view to an amendment of the provisional-valuation, within sixty days of the date on which the copy of the provisional valuation is served, or such extended time as the Commissioners may in any special case allow, give to the Commissioners notice of objection to the provisional valuation, stating the grounds of his objection and the amendment he desires, and, if the Commissioners amend the provisional valuation so as to be satisfactory to all persons making objections, the total and site value as stated in the amended valuation shall he adopted as the original total and the original site value for the purposes of this Part of this Act.
- (3) The Commissioners may amend any provisional valuation, whether objected to or not, before it is finally settled, and the amended provisional valuation shall be deemed to be a provisional valuation for the purposes of this section.
- (4) If the provisional valuation is not amended by the Commissioners so as to be satisfactory to any objector, that objector may give a notice of appeal under this Act with respect to the valuation, but, if no such notice is given, the total and site value as stated in the provisional valuation, subject to such amendments as may be made by the Commissioners in order to meet objections, shall be adopted as the original total and the original site value respectively for the purposes of this Part of this Act.
- (5) Any person interested in the land, not being an owner, may apply to the Commissioners for a copy of the provisional valuation of the land before it is finally settled, and shall then have the same right of giving notice of objection and of appealing as the owner.
- (6) Where the value to be adopted as the original total or the original site value of any land for the purposes of this Part of this Act has not been finally settled at the time when any duty under this Part of this Act becomes leviable, any duty under this Part of this Act shall be assessed as if the values as shown in the provisional valuation, or, if the provisional valuation has been amended by the Commissioners, as shown in the

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valuation as so amended, were the values adopted as the original total and site values for the purposes of this Part of this Act, and, on the values to be adopted being finally settled, if it is found that the amount which should have been paid as duty exceeds that actually paid, the excess shall be deemed to be arrears of the duty, except so far as any penalty is incurred on account of arrears, and, if it is found that the amount which should have been paid as duty is less than that actually paid, the difference shall be repaid by the Commissioners.

- (7) Where a lessee is the owner of the land within the meaning of this Act, this section shall apply as if any person entitled to the fee simple reversion or to a leasehold reversion for a term of years exceeding twenty-one were the owner as well as the lessee.

## **28 Periodical valuation of undeveloped land.**

For the purpose of obtaining a periodical valuation of undeveloped land the Commissioners shall, in the year nineteen hundred and fourteen and in every subsequent fifth year, cause a valuation to be made of undeveloped land showing the site value of the land as on the thirtieth day of April in that year, and, for the purpose of ascertaining the value at that time, the provisions of this Act as to the ascertainment of value shall apply for the purpose of ascertaining value on any such periodical valuation as they apply for the purpose of ascertaining the original value :

Provided that if on any such periodical valuation the valuation of any undeveloped land which is liable to undeveloped land duty is for any reason begun but not completed in the year of valuation, the Commissioners may complete the valuation after the expiration of the year of valuation, subject to an appeal under this Act.

## **29 Assessment of duty on separate parcels of land and apportionment of valuation.**

- (1) Any duty under this Part of this Act may be assessed on or in respect of any such pieces of land whether under separate occupation or not, as the Commissioners think fit.
- (2) The Commissioners shall make such apportionments and re-apportionments of any original site value or any site value fixed on a periodical valuation as they consider necessary for the purpose of the collection or assessment of increment value duty or undeveloped land duty, or which they may be required at any time to make on the application of any person entitled to the fee simple of any land or to an interest in any land.

On any such apportionment or re-apportionment for the purpose of the collection of increment value duty on the occasion of the transfer on sale of the fee simple of the land or any interest in the land, or on the occasion of the grant of any lease of the land, the consideration for the transfer, or for the grant of the lease, shall be treated as one of the matters to which regard must be had in making the apportionment or re-apportionment.

- (3) The provisions relating to the procedure on the valuation of land for the purposes of this Part of this Act shall apply with respect to the apportionment or re-apportionment of site value under this section as they apply with reference to the ascertainment of the original site value of land.
- (4) The value attributed on any such apportionment or re-apportionment to each part of the land shall, for the purposes of this Part of this Act, be treated as the original site value or the site value of the land, as the case may be.

### **30 Duties of Commissioners as to keeping records and giving information.**

- (1) The Commissioners shall record particulars of all valuations, apportionments, re-apportionments, and assessments made by them under this Part of this Act, and of any deductions allowed in determining any value, and of the amount of any duty paid under this Part of this Act in respect of any land.
- (2) The Commissioners shall furnish to any person interested in any land, or to any person authorised by any person so interested, on his application and on payment of such fee, not exceeding two shillings and sixpence, as the Commissioners, may fix with the approval of the Treasury, copies of any particulars so recorded by them relating to the land, certified, if required, by a Secretary or Assistant Secretary to the Commissioners.

### **31 Information as to names of owners of land.**

- (1) Every person who pays rent in respect of any land, and every person who as agent for another person receives any rent in respect of any land, shall, on being required by the Commissioners, furnish to them within thirty days the name and address of the person to whom he pays rent or on behalf of whom he receives rent, as the case may be.
- (2) For the purpose of the exercise of their powers or the performance of their duties under this Part of this Act in reference to the valuation of land, the Commissioners may give any general or special authority to any person to inspect any land and report to them the value thereof, and the person having the custody or possession of that land shall permit the person so authorised, on production of the authority of the Commissioners in that behalf, to inspect it at such reasonable times as the Commissioners consider necessary.
- (3) If any person wilfully fails to comply with the provisions of this section, he shall be liable to a penalty not exceeding fifty pounds to be recoverable in the High Court.
- (4) Any notice requiring a return for the purpose of valuation, any copy of a provisional valuation, and any other notice or document which is required to be given or sent to an owner or a person interested in land under this Part of this Act by the Commissioners shall be sufficiently given or sent if sent by post to the address of the owner or person interested furnished to the Commissioners under the powers given by this section, or, if the address cannot be so ascertained, by leaving the notice or a copy of the document addressed to the owner or person interested with some occupier of the land, or, if there is no occupier, by causing it to be put up in some conspicuous place on the land.

### **32 Determination of value of consideration.**

- (1) Where the value of any consideration for a transfer or lease is to be determined for the purposes of this Part of this Act, that value shall, so far as the consideration consists of the payment of a capital sum, be taken to be the amount of that capital sum, and, so far as the consideration consists of a periodical money payment, be taken to be such sum as appears to the Commissioners to be the capital value of that payment.
- (2) If the Commissioners are satisfied that any covenant or undertaking, or liability to discharge any incumbrance, or, in cases where a nominal rent only has been reserved, any covenant or undertaking to erect buildings, or to expend any sums upon the property, has formed part of the consideration, the Commissioners shall allow such sum as they think just in respect thereof as an addition to the value of the consideration.

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- (3) Where it is necessary to apportion any consideration for the purposes of this, Part of this Act a between properties included in any transfer or lease, the consideration shall be apportioned by the Commissioners in such manner as they determine.

*Appeals.*

**33 Appeals to referees.**

- (1) Except as expressly provided in this Part of this Act, any person aggrieved may appeal within such time and in such manner as may be provided by rules made under this section against the first or any subsequent determination by the Commissioners of the total value or site value of any land ; or against the amount of any assessment of duty under this Part of this Act; or against a refusal of the Commissioners to make any allowance or 'to make the allowance claimed, where the Commissioners have power to make such "an allowance under this Part of the Act; or against any apportionment of the value of land or of duty or any assessment or apportionment of the consideration on any transfer or lease made by the Commissioners under this Part of this Act; or against the determination of any other matter which the Commissioners are to determine or may determine under this Part of this Act:

Provided that—

- (a) an appeal shall not lie against a provisional valuation made by the Commissioners of the total or site value of any land except on the part of a person who has made an objection to the provisional valuation in accordance with this Act; and
  - (b) the original total value and the original site value and the site value as ascertained under any subsequent valuation shall be questioned only by means of an appeal against the determination by the Commissioners of that value where there is an appeal under this Act, and shall not be questioned in any case on an appeal against an assessment of duty.
- (2) An appeal under this section shall be referred to such one of the panel of referees appointed under this Part of this Act as may be selected in manner provided by rules under this section, and the decision of the referee to whom the matter is so referred shall be given in the form provided by rules under this section and shall, subject to appeal to the Court under this section, be final.
- (3) The referee shall determine any matter referred to him in consultation with the Commissioners and the appellant, or any persons nominated by the Commissioners and the appellant respectively for this purpose, and may, if he thinks fit, order that any expenses incurred by the appellant be paid by the Commissioners, and that any such expenses incurred by the Commissioners be paid by the appellant.

Any order of the referee as to expenses may be made a rule of the High Court.

- (4) Any person aggrieved by the decision of the referee may appeal against the decision to the High Court within the time and in the manner and on the conditions directed by Rules of Court (including conditions enabling the Court to require the payment of or the giving of security for any duty claimed); and subsections two, three, and four of section ten of the Finance Act, 1894, shall apply with reference to any such appeal:

Provided that where the total or site value as alleged by the Commissioners of the property in respect of which the dispute arises does not exceed five hundred pounds,

the appeal under this section may be to the county court for the county or place in which the appellant resides or the property is situate, and this section shall for the purpose of the appeal apply as if such county court were the High Court, and in every such case any party shall have a right of appeal to the Court of Appeal.

- (5) Provision shall be made by rules under this section with respect to the time within which and the manner in which an appeal may be made to a referee under this section, and with respect to the mode in which the referee to whom any reference is to be made is to be selected, and with respect to the form in which any decision of a referee is to be given, and with respect to any other matter for which it appears necessary or expedient to provide in order to carry this section into effect.

Those rates shall be made by the Reference Committee, subject to the approval of the Treasury.

The Reference Committee for England shall consist of the Lord Chief Justice of England, the Master of the Rolls, and the President of the Surveyors' Institution.

The Reference Committee for Scotland shall consist of the Lord President of the Court of Session, the Lord Justice Clerk, and the Chairman of the Scottish Committee of the Surveyors' Institution.

The Reference Committee for Ireland shall consist of the Lord Chief Justice of Ireland, the Master of the Rolls in Ireland, and the President of the Surveyors' Institution.

The President of the Surveyors' Institution may, if he thinks fit, appoint any person, being a member of the council of that institution and having special knowledge of valuation in Ireland, to act in his place as a member of the Reference Committee in Ireland.

#### **34 Appointment of referees to hear appeals.**

- (1) Such number of persons, being persons who have been admitted Fellows of the Surveyors' Institution, or other persons having experience in the valuation of land as may be appointed for England, Scotland, and Ireland, respectively, by the Reference Committee, shall form a panel of persons to act as referees for the purposes of this Part of this Act in England, Scotland, and Ireland, respectively, and persons having experience in the valuation of minerals shall be included in each panel.
- (2) There shall, be paid out of moneys provided by Parliament to every referee appointed under this section such fees or remuneration as the Treasury direct.

*Supplemental.*

#### **35 Exemption for land held by rating authorities.**

- (1) No duty under this Part of this Act shall be charged in respect of any land or interest in land held by or on behalf of a rating authority, or any statutory combination representative of two or more local or rating authorities, and any increment value duty in respect of any such land which would have been collected from the authority (whether on the occasion of the transfer on sale of the land, or any interest in the land, or the grant of a lease of the land, or on the periodical occasions provided in this Act) shall, for the purposes of the provisions of this Act as to the collection of increment value duty, be deemed to have been paid.

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- (2) For the purposes of this section the expression " rating authority " means any body who have power to raise a rate or administer money raised by a rate ; and the expression " rate " means a rate the proceeds of which are applicable to public local purposes, and which is leviable on the basis of an assessment in respect of the yearly value of property, and includes any sum which, though obtained in the first instance by a precept, certificate, or other instrument, requiring payment from some authority or officer, is or can be ultimately raised out of a rate as before defined.

**36 Deduction from increment value of sum paid to rating authority in respect of increase in value.**

Where in pursuance of any public general or local Act any capital sum or any instalment of a capital sum has been paid to any rating authority in respect of the increased or enhanced value of any land due to any improvements made or other action taken by the authority, the amount of that capital sum or instalment shall be deducted from any increment value of the land for the purposes of the collection of increment value duty and from the site value of the land for the purposes of the collection of undeveloped land duty, and from the value of the benefit accruing to the lessor for the purposes of reversion duty, and in the case of increment value duty the duty on the amount deducted shall be deemed to have been paid.

**37 Special provision for land held for charitable purposes, &c.**

- (1) No reversion duty or undeveloped land duty under this Part of this Act shall be charged in respect of land or any interest in land held by or on behalf of any governing body constituted for charitable purposes while the land is occupied and used by such a body for the purposes of that body, and increment value duty shall not be collected on any periodical occasion in respect of the fee simple of or any interest in any land held for the purposes of such a body, whether it is occupied or used by that body or not, without prejudice, however, to the collection of the duty on any other occasion.

The expression " governing body constituted for charitable purposes " includes any person or body of persons who have the right of holding, or any power of government of, or management over, any property appropriated for charitable purposes (including property appropriated for the purpose of any of the naval or military forces of the Crown), and includes any corporation sole and all universities, colleges, schools, and other institutions for the promotion of literature, science, or art.

- (2) This section shall apply to the fee simple of, or any interest in, any land held by a registered society or by a company within the meaning of the Companies (Consolidation) Act, 1908, or any body of persons incorporated by special Act, if that company or body are by their memorandum or Act precluded from dividing any profit amongst their members, as if the purposes of the society, company, or body of persons were charitable purposes.

In this provision the expression " registered society " means any society or body of persons who are registered, or whose rules are certified or registered, by a registrar of friendly societies in pursuance of any Act of Parliament, and who by their rules make provision for the benefits set out in section eight, subsection one, of the Friendly Societies Act, 1896, and where the contract between the society and the member is of a permanent character.



### **38 Special provision for statutory companies.**

- (1) Neither increment value duty, reversion duty, nor undeveloped land duty shall be charged in respect of any land whilst it is held by a statutory company for the purposes of their undertaking and cannot be appropriated by the company except to those purposes ; but nothing in this provision shall prevent the collection of increment value duty when any such land is sold or ceases to be so held.

This provision shall not be construed so as to exclude from the benefit thereof land held by a statutory company which is intended to be ultimately appropriated for the purpose of works forming or to form part of the company's undertaking, but, pending the carrying out of those works, is used for other purposes.

- (2) The Commissioners shall not require a statutory company to make any returns with respect to any such land for the purpose of the provisions of this Part of this Act as to valuation other than as to the actual cost to the company of the land, and that cost shall, for the purposes of this Part of this Act, be substituted for the original site value of the land.
- (3) For the purposes of the Lands Clauses Acts, as incorporated with any special Act, the amount (if any) payable by the transferor as increment value duty shall not be treated as part of the costs or expenses of a conveyance of land, and shall not be taken into account in assessing the compensation to be paid to the transferor.
- (4) For the purposes of this section the expression " statutory company " means any railway company, canal company, dock company, water company, or other company who are for the time being authorised under any special Act to construct, work, or carry on any railway, canal, dock, water, or other public under taking, and includes any person or body of persons so authorised ; and the expression " special Act " includes any Provisional Order or order having the force of an Act of Parliament.

### **39 Power to charge duty on land in certain cases.**

- (1) Where the fee simple of any land, or any interest in land, in respect of which increment value duty or reversion duty is charged, is settled land within the meaning of the Settled Land Act, 1882, or is vested in a trustee, and the tenant for life, or persons having the powers of a tenant for life, or the trustee, is the person who is liable to pay any sums on account of either of these duties, he shall be entitled to charge by deed upon the land or interest in land any amount paid by him, or which he may then be or may thereafter become liable to pay, in respect of either of these duties, and the amount of any expenditure which he may have reasonably incurred in connection with the valuation, and the benefit of any such charge, may be transferred in like manner as a mortgage.
- (2) In the case of settled land a deed executed for the purposes of this section shall not take effect until notice thereof has been given to the trustees of the settlement for the purposes of the Settled Land Act, 1882.
- (3) Sections fifty-nine, sixty, and sixty-two of the Settled Land Act, 1882 (which relate to the exercise of powers on behalf of infants and lunatics), shall apply to the exercise of the power under this section in the same manner as they apply to the exercise of the powers of a tenant for life under that Act.
- (4) Where the fee simple of any land, or any interest in land in respect of which increment value duty or reversion duty is charged, is vested in a mortgagee who is liable to pay

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any sum on account of either of those duties, he shall be entitled to add to his security the sum for which he is so liable, including any costs or expenses properly incurred by him in respect of the payment of the duty.

- (5) In Scotland, where any person, having a limited interest in the land or interest in land in respect of which any duty under this Part of this Act is charged, is the person who is liable to pay any sums on account of the duty, he shall be entitled to charge such land or such interest in land by means of a bond and disposition or bond and assignation in security in his own favour which he is hereby authorised to grant.

#### **40 Application of Part I to copyholds.**

The following provisions shall have effect with respect to the application of this Part of this Act to copyholds, including customary freeholds:—

- (1) In the case of copyholds of inheritance, and copyholds held for a life or lives or for years where the tenant has a right of renewal, and customary freeholds—
- (a) The total and site values of the land shall be ascertained as if the land were freehold land, subject to a deduction of such an amount as is proved to the Commissioners to be equal to the amount which it would cost to enfranchise the land;
  - (b) References to the fee simple of land shall be treated as references to the whole copyhold or customary interest or estate;
  - (c) In the definition of "owner," a reference to the person entitled to the rents and profits of the land as tenant by copy of court roll or customary tenure shall be substituted for the reference to the person entitled to the rents and profits of the land in virtue of an estate of freehold :
- (2) In the case of copyhold land held for a life or lives, or for years where the tenant has not a right of renewal, this Part of this Act shall have effect as if the land were freehold land and the copyhold interest were a leasehold interest.

#### **41 Definitions.**

In this Part of this Act, unless the context otherwise requires,—

The expression "land" does not include any incorporeal hereditament issuing or granted out of the land ;

The expression "rentcharge" means tithe or tithe rentcharge, or other periodical payment or rendering in lieu of or in the nature of tithe, or any fee farm rent, rent seek, quit rent, chief rent, rent of assize, or any other perpetual rent or annuity granted out of land;

The expression "rent" has the same meaning as in the Conveyancing and Law of Property Act, 1881, and does not include a rentcharge;

The expression "lease" includes an under-lease and an agreement for a lease or under-lease, but does not include a term of years created solely for the purpose of securing money until the term becomes vested in some person free from any equity of redemption ;

The term of a lease shall, where the lease contains an obligation to renew the lease, be deemed to include the period for which the lease may be renewed, and, in the case of a lease for life or lives, shall be deemed to be a number of years equal to the mean expectation of life of the person for whose life the lease is granted, or, in the case of a lease granted for lives, of the youngest of the

persons for whose lives the lease is granted, and a lease renewed in pursuance of such an obligation shall not on its renewal be deemed to be determined ;

The expression " interest " in relation to land includes any undivided share in a fee simple in possession and includes a reversion expectant on the determination of a lease, but does not include any other interest in expectancy or an incumbrance as defined by this Act or any fixed charge as defined by this Act or any purely incorporeal hereditament or any leasehold interest under a lease for a term of years not exceeding fourteen years or any tenancy which is, or is deemed to be, subject to statutory conditions under the Land Law (Ireland) Acts;

The expression " incumbrance " includes a mortgage in fee or for a less estate, and a trust for securing money, and a lien, and a charge of a portion, annuity, or any capital or annual sum, but does not include a fixed charge' as defined by this Act;

The expression " fixed charge " means any rentcharge as defined by this Act, and any burden or charge (other than rates or taxes) arising by operation of law or imposed by any Act of Parliament, or imposed in pursuance of the exercise of any powers or the performance of any duties under any such Act, otherwise than by a person interested in the land or in consideration of any advance to any person interested in the land ;

The expression " fee simple " means the fee simple in possession not subject to any lease, but does not include an undivided share in a fee simple in possession;

The expression " owner " means the person entitled in possession, to the rents and profits of the land in virtue of any estate of freehold, except that where land is let on lease for a term of which more than fifty years are unexpired, the lessee under the lease or if there are two or more such leases the lessee under the last created under-lease shall be deemed to be the owner instead of the person entitled to the rents and profits as aforesaid;

The expressions " lessor " and " lessee " include an under-lessor and under-lessee; and the expression " lessor " includes the person for the time being entitled to the reversion, whether freehold or leasehold, expectant on the determination of the lease ; and the expression " lessee " includes executors, administrators, and assigns of the lessee;

The expressions " transferor " and " lessor " do not include any persons who join in the execution of the instrument by which the transfer or lease is effected, or agreed to be effected, for the purpose only of conveying any estate vested in them as trustees or incumbrancers, or of acknowledging the receipt of the consideration money, or of giving consent, and sections fifty-nine, sixty, and sixty-two of the Settled Land Act, 1882 (which relate to the exercise of powers on behalf of infants and lunatics), shall apply to the exercise of the powers of an owner under this Part of this Act in the same manner as they apply to the exercise of the powers of a tenant for life under that Act ;

The expression " agriculture " includes the use of land as meadow or pasture land or orchard or osier or woodland, or for market gardens, nursery grounds, or allotments; and the expression " agricultural land " shall be construed accordingly.

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## 42 Application of Part I to Scotland.

In the application of this Part of this Act to Scotland, unless the context otherwise requires,—

- (1) The expression "land" does not include teinds, titles or offices of honour, or any servitude, superiority, casualty, feu duty, or ground annual, or any incorporeal heritable right;
- The expression "rent" includes yearly or other rent, toll, duty, royalty, or other reservation by the acre, the ton, or otherwise; and, for the purpose of section thirty-one of this Act, includes feu-duty and ground annual;
- The expression "rent charge" includes feu duty and ground annual;
- The expression "interest" in relation to land includes the landlord's right of reversion to the subjects let on the determination of the lease, but does not include teinds, servitudes, superiorities, any interest in expectancy, whether vested or not, heritable securities, bonds of provision, jointures, annuities, or other capital or annual sums, or other debts secured upon heritage, or any sporting right, or any lease thereof;
- The expression "owner" means the fiar of the land, except that where land is let on lease for a term of which more than fifty years are unexpired, the tenant under the lease shall be deemed to be the owner, and includes an institute or heir of entail in possession;
- The expression "freeholder" includes "fiar," "life-renter" of land settled within the meaning of the Finance Act, 1894, and "institute or heir of entail in possession," and the expression "freehold" shall be construed accordingly;
- The expression "incumbrance" includes any heritable security, or other debt or payment secured upon heritage, and the expression "incumbrancer" shall be construed accordingly;
- "Servitudes" shall be substituted for "easements and shall be deemed to include public rights;
- "Local Government Board for Scotland" shall be substituted for "Local Government Board";
- The expression "borough or urban district" means a royal, parliamentary or police burgh;
- A reference to an appeal to quarter sessions shall not apply;
- "Court of Session" shall be substituted for "High Court": Provided that, for the purposes of appeals from the decisions of referees, the judges of the Court of Session named for the purpose of hearing appeals under the Valuation of Lands (Scotland) Acts shall be substituted for the High Court, subject to such regulations as may be prescribed by Act of Sederunt, and the appeal from such judges shall be to the House of Lords, and in subsections (2), (3), and (4) of section ten of the Finance Act, 1894, as applied with reference to any such appeal the said judges shall be substituted for the High Court. "Sheriff Court" shall be substituted for "County Court," and there shall be an appeal from the sheriff court to the said judges, whose decision in such case shall be final.
- (2) Any order of a referee as to expenses shall be enforceable as a recorded decree arbitral.
- (3) Subsection (2) of section two of this Act shall be construed as if after paragraph (d) thereof the following paragraph were added (that is to say):—
- “(e) where the occasion is the grant of any feu of the land or the creation of any ground annual thereon, the value of the fee simple of the land

calculated on the basis of the value of the consideration for such grant or creation, by way of feu duty, ground annual, or otherwise.”

Where increment value duty falls to be collected on a feu contract or feu charter or a contract of ground annual, it shall be paid by the person by whom or on whose behalf the feu is granted or the ground annual is created, and, for the purposes of this Part of this Act, that person shall be deemed to be the transferor or the transferor on sale and the contract or charter to be the instrument, and the expressions " transfer" and " transfer on sale " shall be construed accordingly.

The expressions " lessor " and " lessee " include a sublessor and sub-lessee and the heirs, executors, administrators, and assigns of a lessor and lessee respectively.

- (4) Where arrangements are made under section four of this Act for dispensing with the presentation of any instrument or particulars thereof, it shall be the duty of the keeper of the general register of sasines, and of the respective keepers of burgh or other local registers, to furnish to the Commissioners particulars of instruments presented for registration or registered in their respective registers as may be prescribed by regulations of the Commissioners, and in such case the provisions of subsection (3) of section four shall not apply.

## PART II

### DUTIES ON LIQUOR LICENCES.

#### **43 Duties on excise liquor licences.**

There shall be charged, levied, and paid on the licences for the manufacture or sale of intoxicating liquor specified in the First Schedule to this Act, the duties of excise specified in that Schedule, and the provisions expressed in that Schedule to be applicable to any such licences shall have effect with respect to those licences. The said duties shall be charged on any licences which shall have been granted after the first day of July nineteen hundred and nine or may hereafter be granted, but, in this case of any such licences granted before the thirtieth day of September nineteen hundred and nine, the amount of the duty shall be adjusted so as to make the sum payable in respect of the period up to that date such sum only as would have been payable if this Act had not passed.

#### **44 Valuation of licensed premises.**

- (1) The annual value of any premises for the purposes of any duty charged in the First Schedule to this Act shall be determined in the same manner and subject to the same conditions (including, as respects licensed premises in Ireland, the provisions of subsection (7) of section forty-three, of the Inland Revenue Act, 1880) as the annual value of premises is determined for the purpose of a publican's licence, and, in the determination of that value, the duty on the licence is not to be allowed as a deduction.
- (2) it shall be the duty of the Commissioners to prepare, and to keep corrected, a register showing the annual licence value of all fully licensed premises and all beerhouses.

For the purpose of this provision the annual licence value shall be taken to be the amount by which the annual value of the premises as licensed premises exceeds the annual value which the premises would bear if they were not licensed premises, those

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values being calculated on the same basis as that on which the amount to be paid as compensation under section two of the Licensing Act, 1904, is calculated in default of agreement and approval in cases where compensation is payable under that Act, but there shall not be included in the value of the premises as licensed premises any amount on account of depreciation of trade fixtures.

The annual licence value shall be fixed and certified for the purposes of this Act by the Commissioners of Inland Revenue, and those Commissioners shall send by post a copy of the certificate (and in case any correction is subsequently made in the amount certified, a copy of the corrected certificate) to the licence-holder stating the two annual values by reference to which the annual licence value has been arrived at, and, on the application of any other person who appears to them to be interested in the premises, furnish a copy of the certificate or corrected certificate to him, and any such certificate shall be subject to the like appeal as that to which the determination of the Commissioners of Inland Revenue of the amount to be paid for compensation under subsection (2) of section two of the Licensing Act, 1904, is for the time being, subject, with the substitution, as respects Scotland, of the Judges of the Court of Session named for the purpose of hearing appeals under the Valuation of Land (Scotland) Acts, and, as respects Ireland, of the High Court of Justice of Ireland, for the High Court, and the costs on any such appeal shall be in the discretion of that court. In estimating for that purpose the value as licensed premises of hotels or other premises used for purposes other than the sale of intoxicating liquor, no increased value arising from profits not derived from the sale of intoxicating liquor shall be taken into consideration.

- (3) The licence holder and any person interested in licensed premises shall, if required by the Commissioners, make a return in such form and containing such particulars as the Commissioners may properly require for the purpose of the ascertainment under this section of the annual-value or the annual licence value of the premises, and, if any person fails to make such a return within the time, not being less than thirty days, specified in the notice requiring the return, he shall be liable on summary conviction to a fine not exceeding twenty pounds.

#### **45 Reduction of duty in case of hotels or restaurants.**

- (1) Where in the case of any licensed premises which are structurally adapted to be used and bonâ fide used for the purpose of the reception of guests and travellers desirous to sleep in the premises, or which are licensed premises structurally adapted for use, and bonâ fide used as a restaurant, it is shown to the satisfaction of the Commissioners that the receipts from the sale of intoxicating liquor were in the preceding year less in the case of a restaurant than two-fifths, and in the case of any other premises than one-third of the total receipts in that year from the business of all descriptions carried on' by the licence holder in the premises, the duty payable under this Act in respect of the licence shall, subject to the minimum provided by this section, be a reduced duty bearing the same proportion to the full duty payable as the receipts from the sale of intoxicating liquor bear to the total receipts.
- (2) For the purpose of the calculation of receipts under this section, the year shall be the year ending the thirty-first day of March or such other day as the Commissioners may fix for any area or to meet the circumstances of a particular case or cases.
- (3) The reduced duty payable under this section may, at the option of the person by whom the duty is payable (but subject to the minimum provided by this section), be a duty of twenty-five per cent. on such amount as the Commissioners of Inland Revenue certify to be the annual licence value of the premises, and those Commissioners shall, on the

application of any person by whom the duty is payable, certify that amount subject to appeal in manner herein-before provided in any case where that amount has not been determined for the purpose of the register to be prepared under this Act.

- (4) The reduced duty payable under this section shall not be less than one-thirtieth of the annual value of the premises in the case of fully licensed premises, and in any other case one-fifteenth of the full duty, but shall not in any case to which a minimum duty is applicable under Scale 3 in the First Schedule to this Act be less than that minimum duty.
- (5) The Commissioners may make regulations for adapting the provisions of this section to cases where a licence is granted in respect of premises for which such a licence has not previously been in force or where the annual licence value of the premises has not been certified, and may by those regulations provide for the grant of a licence in cases where they are satisfied that it is probable that the premises for which the licence is granted are premises to which this section will apply, on a provisional payment of one-fifth of the full duty, and for adjustment of the duty after the licence has been in force for six months in accordance with the receipts for those six months, or after the annual licence value has been certified, either by the repayment of any duty which is found to have been paid in excess, or by the recovery as a debt due to His Majesty of any sum by which the amount paid as duty falls short of the amount which is found to be payable.
- (6) The power to obtain a licence on payment of a reduced amount of duty in the case of a six-day licence and in the case of an early closing licence shall not apply where a reduced duty is payable under this section ; but, in cases to which this section applies, effect shall be given to the statutory enactments as to six-day and early closing licences by calculating the full duty payable as the amount of that duty reduced in the case of a six-day or early closing licence by one-seventh, and in the case of a licence which is both a six-day and an early closing licence by two-sevenths.

#### **46 Distribution of payments on account of licence duties in certain cases.**

Where the licence holder is bound by any covenant, agreement, or undertaking, or is otherwise under any direct or indirect obligation of any kind, to obtain a supply of intoxicating liquor from any person or persons, the licence holder shall be entitled, notwithstanding any agreement to the contrary, to recover as a debt due from or deduct from any sum due to any such person so much of any increase of the duty payable in respect of his licence occasioned by this Act as may be agreed upon, or in default of agreement determined by the Commissioners to be proportionate to any increased rent of the licensed premises, or increased prices of intoxicating liquor supplied, or other benefit obtained by such person by reason of any such covenant, agreement, undertaking, or obligation as aforesaid.

#### **47 Reduction of monopoly value payments in certain cases.**

- (1) Where it is shown to the Commissioners that the amount of any annual payments to be made, or of any capital sum which has been paid, in pursuance of conditions attached to the grant of a new on-licence for securing to the public monopoly value under section four of the Licensing Act, 1904, exceeds the amount which should reasonably be required having regard to the increase in the duty on the licence under this Act, the Commissioners shall, after giving the justices by whom the conditions have been attached to the licence an opportunity of reporting to them on the matter,

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reduce in such manner as shall be just the amount of any payment to be so made, or, in cases where a capital sum has been paid, allow such a reduction from the duty to be paid for the licence as shall be just, having regard to the decrease, if any, of the monopoly value owing to the increase of the duty on the licence, but any decision of the Commissioners as to the reduction to be made under this provision shall be subject to the like appeal as that to which the determination by the Commissioners of Inland Revenue of the amount to be paid for compensation under subsection (2) of section two of the Licensing Act, 1904. is subject under that Act.

- (2) Any amount by which the duty on the licence is reduced under this section shall be deducted, in accordance with directions of the Treasury, from the next payment made out of the local taxation account to the council of the county or county borough who have had the benefit of the original capital sum paid, and the amount to be paid into the local taxation account on account of the proceeds of the duties on the licences for the sale of intoxicating liquor shall be reduced accordingly.

#### **48 Duty on statement of purchases of intoxicating liquor to be supplied in a club.**

- (1) It shall be the duty of the, secretary of every registered club to deliver to the Commissioners, in the month of July in the year nineteen hundred and ten, and in the month of January in every subsequent year or within such further time as the Commissioners may in any case allow, a statement of the purchases during the preceding calendar year of intoxicating liquor to be supplied in or to the club or on behalf of the club to the members thereof, in such form and containing such particulars as may be prescribed by the Commissioners, and every such statement shall be charged with an Excise duty of sixpence for every pound of the purchases shown in the statement.
- (2) If the secretary of a club fails to deliver a statement in accordance with this section after a notice in writing from the Commissioners requiring him so to do has been served on him, either by leaving it at the club premises or by sending it to him by post addressed to the club, he shall be liable on summary conviction to a fine not exceeding twenty pounds, and in the case of a second or subsequent offence to imprisonment with or without hard labour for a term not exceeding one month or to a fine not exceeding fifty pounds or to both, and, if he knowingly delivers a statement which is in any material particular untrue, he shall be liable on summary conviction to imprisonment with or without hard labour for a term not exceeding three months, or to a fine not exceeding fifty pounds, or to both imprisonment and fine.
- (3) If any duty under this section remains unpaid after the first day of September in the year nineteen hundred and ten, and the first day of March in any subsequent year, the duty may be levied by distress on the premises of the club in respect of which the duty is due, and the collector of Customs and Excise may, for that purpose, by warrant signed by him, authorise any person to distrain upon the premises, and to sell any distress levied by public auction, after giving six "days' previous notice of the sale :

Provided that a distress shall not be levied under this provision unless notice in -writing requiring the payment of the amount of duty unpaid has been served on the secretary of the club by leaving the notice at the club premises or by sending it to him by post addressed to the club:

The proceeds of the sale shall be applied in or towards payment of the costs and expenses of the distress and sale, and the payment of the duty due, and the surplus, if



any, shall be paid to the secretary of the club, and treated by him as part of the funds of the club.

- (4) If any duty payable under this section remains unpaid after the first day of September in the year nineteen hundred and ten, and the first day of March in any subsequent year, or if the secretary of a club fails in any year to deliver a statement as required by this section, the supply of any intoxicating liquor in the club shall, so long as the duty remains unpaid, or the failure continues, as the case may be, be deemed to be a sale of intoxicating liquor without a licence.
- (5) The Commissioners may make regulations for adapting the provisions of this section to the case of a club which is discontinued as a registered club during any calendar year, and for procuring a statement under this section of the purchases of intoxicating liquor up to the date of the discontinuance of the club as a registered club, and for charging the duty under this section in respect of that statement.
- (6) The clerk by whom any register of clubs is kept shall send notice to the Commissioners of the entry of any new club, and of any case in which a club ceases to be registered, upon the register kept by him.

#### **49 Grant of licences and date of expiration of licences.**

- (1) The licences specified in the First Schedule to this Act shall be in such form as the Commissioners direct, and any such licence may be granted on payment of the appropriate duty by any officer of Customs and Excise authorised to grant the licence by the Commissioners.
- (2) Manufacturers' licences shall expire on the thirtieth day of September and wholesale dealers' licences shall expire on the thirtieth day of June in every year, and any other licences specified in the First Schedule to this Act which are to be taken out annually shall (subject as herein-after provided) expire in England and Ireland on the thirtieth day of September and in Scotland on the twenty-eighth day of May in each year:

Provided that where a retailer's off-licence for the sale of any liquor is held by the holder of a wholesale dealer's licence for the sale of the same liquor, the retailer's licence shall expire on the same day as that on which the wholesale dealer's licence expires.

- (3) Where the duty payable by any person under this Part of this Act on any licence exceeds the sum of sixty pounds, the licence may, at the option of the licence-holder, be granted upon payment of one-half only of the duty so payable, and in that case the other half of the duty shall be paid immediately after the expiration of six months from the commencement of the year for which the licence was granted, or, in case the licence was granted after the month of September, on the first day of March next after the commencement of the year for which the licence was granted, and in default of payment of the second half of the duty the licence shall cease to be in

This provision shall apply to two or more licences granted in respect of one set of premises as it applies to a single licence.

#### **50 Penalties.**

- (1) If any person makes or manufactures any intoxicating liquor, for the making or manufacture of which he is required to take out a licence under this Act, without taking

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out such a licence, he shall be liable in respect of each offence to an excise penalty of five hundred pounds.

- (2) If any person deals wholesale in any intoxicating liquor, for the wholesale dealing in which he is required to take out a licence under this Act, without taking out such a licence, he shall be liable in respect of each offence to an excise penalty of one hundred pounds.
- (3) If any person sells by retail any intoxicating liquor, for the retail sale of which he is required to take out a licence under this Act, without taking out such a licence, he shall be liable in respect of each offence, at the election of the Commissioners, either to an excise penalty of fifty pounds, or to an excise penalty equal to treble the amount of the full duty.
- (4) If any person holding any of the licences specified in the First Schedule to this Act contravenes the terms of the licence, or sells otherwise than as he is authorised by the licence, or contravenes any of the provisions applicable to the licence under that Schedule, he shall be liable in respect of each offence, if the offence is not an offence for which any specific penalty is imposed by any Act relating to excise duties or licences, to an excise penalty of fifty pounds.

*General.*

**51 Relation of licences granted under Act to licences abolished.**

- (1) Any reference in any Act or document to any description of Excise licence for the manufacture or sale of intoxicating liquor which is expressed in the First Schedule to correspond to any description of licence which may be granted under this Act, shall be deemed to be a reference to the description of licence to which it is expressed to correspond.
- (2) The additional retail licences for the sale of spirits or liqueurs or beer granted to a dealer in spirits or beer, and the licence for the sale of table beer, and the combined licence for the sale by retail of wine and beer, shall cease to be granted, without prejudice to the continuance of any such licence which is in force at the time of the passing of this Act until the date when the licence expires in accordance with the provisions of this Act.
- (3) Where any existing excise licence may be granted without a justices' licence being required, no justices' licence shall be required for the issue of the corresponding excise licence under this Act.

**52 Definitions.**

In this Part of this Act—

The expression " beer " includes ale, porter, spruce beer, black beer, and any other description of beer, and any liquor which is made or sold as a description of beer or as a substitute for beer, and which on analysis of a sample thereof at any time is found to contain more than two per cent. of proof spirit;

The expression " wine " means wine imported into Great Britain or Ireland;

The expression " sweets " means any liquor which is made from fruit and sugar, or from fruit or sugar mixed with any other material, and which has

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undergone a process of fermentation in the manufacture thereof, and includes British wines, made wines, mead, and metheglin;

Any reference to cider shall include a reference to perry ;

The expression " registered club " means a club for the time being registered under the Licensing Act, 1902, and in Scotland and Ireland a registered club within the meaning of the Licensing (Scotland) Act, 1903, and the Registration of Clubs (Ireland) Act, 1904, respectively;

The expression " passenger vessel " means a vessel of any description employed for the carriage and conveyance of passengers which goes from any place in the United Kingdom to any other place in the United Kingdom, or goes from and returns to the same place in the United Kingdom on the same day;

The expression " publican's licence " means the on-licence to be taken out by a retailer of spirits, and the expression " beerhouse licence " means the on-licence to be taken out by a retailer of beer ;

The expression " fully licensed premises " means premises to which a publican's licence is attached, and the expression " beerhouse " means premises to which a beerhouse licence is attached ;

The expression " premises " in relation to the value of licensed premises includes any offices, courts, yards, and gardens occupied together with the house in which the liquor is sold, except any such offices, courts, yards, or gardens as are proved to the satisfaction of the Commissioners to be used for any trade or business distinct from any trade or business carried on upon the premises by the licence holder.

The expression " full duty " means the duty which would be charged under the First Schedule to this Act without taking into consideration any reduction or allowance or, in cases where duty may be charged under that schedule by reference to annual value, any alternative mode of charging the duty.

#### *Temporary Provision.*

### **53 Temporary provision as to expiration of licences.**

- (1) All Excise licences for the manufacture or sale of intoxicating liquor which are to be taken out annually and are in force at the time of the passing of this Act (in this section referred to as existing licences) shall, if they have not previously ceased to be in force, cease to be in force on the thirtieth day of June next after the passing of this Act, and the Commissioners shall repay or allow to the holder of any such existing licence which ceases to be in force on the thirtieth day of June an amount of duty proportionate to the time by which the period of the currency of the licence is diminished under this provision after deducting in the case of licences granted since the first day of July, nineteen hundred and nine, any additional sum which the licence-holder may be required under the provisions of this Act to pay as duty for the period since the thirtieth day of September nineteen hundred and nine, or, if the licence was granted after the said thirtieth day of September, for the period during which the licence has been in force.

If the additional sum to be paid by the licence-holder exceeds the sum to be repaid or allowed, the excess shall be treated as an addition to the duty to be paid in respect of any licence granted in substitution for the existing licence.

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- (2) For the purpose of recovering the duty which would have been payable on certain licences if they had expired on the thirty-first day of December nineteen hundred and nine, the following provisions shall have effect:—
- (a) Where an existing licence ceases to be in force after the date of the passing of this Act but before the thirtieth day of June next after that date, there shall be payable in respect of any licence granted in substitution for the existing licence an amount equal to the sum by which the proportion of the annual duty payable under this Act for the period between the thirty-first day of December and the date of the expiration of the licence exceeds the proportion of the annual duty payable before the passing of this Act for that period ; and
- (b) Where the holder of an existing licence was, on the thirty first day of December nineteen hundred and nine, the holder of a similar licence which has expired before the passing of this Act, there shall be payable, as an addition to any duty or additional sum to be paid in respect of any licence granted in substitution for the existing licence, an amount equal to the sum by which the proportion of the annual duty payable under this Act for the period between the thirtieth day of September nineteen hundred and nine and the date of the expiration of the licence, in the case of an expired licence granted after the first day of July nineteen hundred and nine, and for the period between the thirty-first day of December nineteen hundred and nine and the date of the expiration of the licence, in the case of an expired licence granted before the first day of July nineteen hundred and nine, exceeds the proportion of the annual duty payable before the passing of this Act for the same period.
- (3) Where any licence granted under this Act in substitution for a corresponding existing licence expires by virtue of the provisions of this Act before the expiration of a full year the duty payable on the licence shall be proportionately reduced.

### PART III

#### DEATH DUTIES.

#### 54 Amended rates of estate duty and settlement estate duty.

The scale set out in the Second Schedule to this Act shall, in the case of persons dying on or after the thirtieth day of April nineteen hundred and nine, be substituted for the scale set out in the First Schedule to the Finance Act, 1907, as the scale of rates of estate duty, and two per cent. shall be substituted for one per cent. in section seventeen of the Finance Act, 1894 (in this Part of this Act referred to as the principal Act), as the rate of settlement estate duty.

#### 55 Limitation of relief from estate duty in respect of settled property.

For the purpose of any claim to relief from estate duty under subsection (2) of section five or subsection (1) of section twenty-one of the principal Act, in the case of persons dying on or after the thirtieth day of April nineteen hundred and nine, payment of or liability to duty, whether the payment was made or the liability attached before, on, or after that date, shall not be deemed to be a payment of or liability to duty in respect of settled property if the payment was made or the liability attached in respect of an interest in expectancy in any property on the death of a person other than the settlor.

**56 Power to transfer land in satisfaction of estate duty, settlement estate duty, or succession duty.**

- (1) The Commissioners may, if they think fit, on the application of any person liable to pay estate duty or settlement estate duty or succession duty in respect of any real (including leasehold) property, accept in satisfaction of the whole or any part of such duty, such part of the property as may be agreed upon between the Commissioners and that person.
- (2) No stamp duty shall be payable on any conveyance or transfer of land to the Commissioners under this section.
- (3) The Commissioners may hold any property transferred to them under this section and shall deal with it in such manner as Parliament may hereafter determine.

**57 Limitation on debts deductible from value of estate.**

Where a debt or incumbrance has been incurred or created in whole or in part for the purpose of or in consideration for the purchase or acquisition or extinction, whether by operation of law or otherwise, of any interest in expectancy within the meaning of the principal Act in any property passing or deemed to pass on the death of a person dying after the passing of this Act, and any person whose interest in expectancy is so purchased, acquired, or extinguished becomes (under any disposition made by, or through devolution of law from, or under the intestacy of, the deceased) entitled to any interest in that property, then in determining the value of the estate of the deceased for the purpose of estate duty no allowance shall be made in respect of such debt or incumbrance, and any property charged with any such debt or incumbrance shall be deemed to pass freed from that debt or incumbrance :

Provided that—

- (a) If part only of such debt or incumbrance was incurred or created for such purpose or as such consideration as aforesaid, this provision shall apply to that part of such debt or incumbrance only; and
- (b) If a person whose interest in expectancy in the property so purchased, acquired, or extinguished becomes entitled to an interest in part only of that property, this provision shall apply only to such part of the debt or incumbrance as bears the same proportion to the whole debt or incumbrance as the value of the part of the property to an interest in which he becomes entitled bears to the value of the whole of that property.

**58 Amendment of rates of legacy duty and succession duty.**

- (1) Any legacy or succession duty which under the Stamp Act, 1815, or the Succession Duty Act, 1853, or any other Act, is payable at the rate of three per cent shall be payable at the rate of five per cent and any legacy or succession duty which under the said Acts is payable at the rate of five per cent or six per cent shall be payable at the rate of ten per cent on the amount or value of the legacy or succession.
- (2) The legacy and succession duty payable at the rate of one per cent. on the amount or value of any legacy or succession under the Stamp Act, 1815, and the Succession Duty Act, 1853, or any other Act, shall be levied and paid notwithstanding any repeal effected by or anything contained in the principal Act (except subsection (3) of section sixteen thereof) or any other Act, and the duty shall also be levied and paid in cases where the person taking the legacy or succession is the husband or wife of the testator,

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intestate, or predecessor as in cases where the person taking the legacy or succession is a lineal ancestor or descendant of the testator, intestate, or predecessor:

Provided that the duty shall not be levied—

- (a) Where the principal value of the property passing on the death of the deceased in respect of which estate duty is payable (other than property in which the deceased never had an interest, and property of which the deceased never was competent to dispose and which on his death passes to persons other than the husband or wife or a lineal ancestor or descendant of the deceased) does not exceed fifteen thousand pounds, whatever may be the value of the legacy or succession ; or
  - (b) Where the amount or value of the legacy or succession together with any other legacies or successions derived by the same person from the testator, intestate, or predecessor does not exceed one thousand pounds, whatever may be the principal value of such property; or
  - (c) Where the person taking the legacy or succession is the widow or a child under the age of twenty-one years of the testator, intestate, or predecessor, and the amount or value of the legacy or succession together with any other legacies or successions derived by the same person from the testator, intestate, or predecessor, does not exceed two thousand pounds, whatever may be the principal value of such property.
- (3) In this section, the expression " deceased " means, in the case of a legacy, the testator (including a person making a donation mortis causa) or intestate, and, in the case of a succession arising through devolution by law, the person on whose death the succession arises, and, in the case of a succession arising under a disposition, the person on whose death the first succession thereunder arises; and the expression " legacy " includes residue and share of residue.
- (4) This section shall take effect in the case of legacy duty only where the testator by whose will the legacy is given or the intestate on whose death the legacy duty is payable, dies on or after the thirtieth day of April nineteen hundred and nine, and, in the case of a succession arising through devolution by law, only where the succession arises on or after that date, and, in the case of a succession arising under a disposition, only if the first succession under the disposition arises on or after that date.

## **59 Provision, as to gifts and dispositions inter vivos.**

- (1) In the case of a person dying on or after the thirtieth day of April nineteen hundred and nine, the period preceding the death of the deceased before which a disposition purporting to operate as an immediate gift inter vivos must have been made, or a surrender, assurance, divesting, or disposition must have been made or effected, in order that the property taken under the disposition, or affected by the surrender, assurance, divesting or disposition, may not be included as property passing on the death of the deceased, shall be three years instead of twelve months before the death, and accordingly paragraph (a) of subsection (2) of section thirty-eight of the Customs and Inland Revenue Act, 1881 (as amended by section eleven of the Customs and Inland Revenue Act, 1889, and applied by paragraph (c) of subsection (1) of section two of the principal Act), subsection (3) of section two of the principal Act, and section eleven of the Finance Act, 1900, shall be read as if three years were substituted for twelve months:

Provided that this section shall not apply to any gift inter vivos, surrender, assurance, divesting, or disposition made or effected before the thirtieth day of April, nineteen hundred and eight, or made or effected for public or charitable purposes.

- (2) So much of paragraph (c) of subsection (1) of section two of the principal Act and this section as makes gifts inter vivos property which is deemed to pass on the death of the deceased, shall not apply to gifts which are made in consideration of marriage, or which are proved to the satisfaction of the Commissioners to have been part of the normal expenditure of the deceased, and to have been reasonable, having regard to the amount of his income, or to the circumstances, or which, in the case of any donee, do not exceed in the aggregate one hundred pounds in value or amount.
- (3) Where property taken under such a disposition or affected by such a surrender, assurance, divesting, or disposition as aforesaid is deemed to be property passing on the death of the deceased by reason only that the property was not, as from the date of the disposition, surrender, assurance, or divesting, retained to the entire exclusion of the deceased or a person who had an estate or interest limited to cease on the death of the deceased, and of any benefit to him by contract or otherwise, the property shall not be deemed to pass on the death of the deceased if subsequently, by means of the surrender of the benefit reserved or otherwise, it is enjoyed to the entire exclusion of the deceased or such other person as aforesaid, and of any benefit to him by contract or otherwise, for such period preceding the death of the deceased as is provided by this section.

## **60 Amendment as to value of property.**

- (1) In the case of any person dying on or after the thirtieth day of April nineteen hundred and nine, the proviso to subsection (5) of section seven of the principal Act (which relates to the estimation of the principal value of property for the purposes of estate duty) shall cease to have effect.
- (2) In estimating the principal value of any property under subsection (5) of section seven of the principal Act, in the case of any person dying on or after the thirtieth day of April nineteen hundred and nine, the Commissioners shall fix the price of the property according to the market price at the time of the death of the deceased, and shall not make any reduction in the estimate on account of the estimate being made on the assumption that the whole property is to be placed on the market at one and the same time:

Provided that where it is proved to the Commissioners that the value of the property has been depreciated by reason of the death of the deceased, the Commissioners in fixing the price shall take such depreciation into account.

- (3) An appeal shall not lie under section ten of the principal Act, whether as originally enacted or as applied by any other enactment, where the question in dispute is a question of the value of any real (including leasehold) property, but, if any person is aggrieved by the decision of the Commissioners as to the value of any such property, he may appeal against the decision in manner prescribed by Part I. of this Act, and the provisions as to appeals under that Part of this Act shall apply accordingly.

**61 Special provisions with respect to certain classes of property.**

- (1) Notwithstanding anything in the last preceding section, the proviso to subsection (5) of section seven of the principal Act shall continue to apply to the valuation of property consisting of a tenancy from year to year, including any tenancy which is, or is deemed to be, subject to' statutory conditions under the Land Law (Ireland) Acts, and for determining the gross value or the net value of property for the purpose of section sixteen of the principal Act.
- (2) Where it is claimed that a fixed duty is payable in respect of any property under subsection (1) of section sixteen of the principal Act as being property of a gross value not exceeding three hundred pounds or five hundred pounds, as the case may be, and such property includes property which is proved to the satisfaction of the Commissioners to be subject to a charge created for the purpose of securing unpaid purchase money, or money borrowed for the purpose of paying purchase money, or to be subject to or liable to, be made subject to a charge for securing an advance made or to be made for the purpose of the purchase thereof, the value thereof for the purpose of determining the gross value of the property under the said section shall be taken to be its value subject to such charge or liability as aforesaid.
- (3) Land subject to an annuity under the Land Purchase (Ireland) Acts shall be treated as real property for the purposes of subsection (8) of section six of the principal Act (relating to the payment of estate duty by instalments).
- (4) Where the property passing on the death of a person dying after the passing of this Act comprises the purchase money of land agreed to be sold under the Land Purchase (Ireland) Acts, but the purchase money has not been paid, the estate duty payable in respect of that purchase money may, at the option of the person liable to pay the same, be postponed until the purchase money is actually paid, and shall then become payable, but the person liable to pay the duty shall in the meantime pay annually interest on the amount of the duty payable at the rate of three per cent per annum.
- (5) Where an estate, in respect of which estate duty is payable on the death of a person dying after the passing of this Act, comprises land on which timber, trees, or wood are growing, the value of such timber, trees, or wood shall be aggregated with the other property passing on the death of the deceased for the purpose of determining the value of the estate and the rate of estate duty, but the estate duty which, but for this subsection, would be payable on the principal value of the timber, trees, or wood shall not be payable thereon, but shall, at the rate so ascertained, be payable on the net moneys (if any), after deducting all necessary outgoings since the death of the deceased, which may from time to time be received from the sale of the timber, trees, or wood, when felled, during the period which may elapse until the land on the death of some other person again becomes liable or would, but for this subsection, have become liable to estate duty, and the owners or trustees of such land shall account for and pay the same accordingly as and when such moneys are received, with interest at the rate of three per cent. per annum from the date when such moneys are received:

Provided that if at any time the timber, trees, or wood are sold, either with or apart from the land on which they are growing, the amount of estate duty on the principal value thereof which, but for this subsection, would have been payable on the death of the deceased, after deducting the amount (if any) of estate duty paid in respect of the timber, trees, or wood under this subsection since that date, shall become payable.



This subsection shall apply to succession duty payable in respect of woodlands in like manner as it applies to estate duty, except that nothing in this subsection shall affect the rate of succession duty.

**62 Deduction of amount paid for increment value duty from value of estate for purposes of estate duty.**

Where increment value duty is to be collected on the occasion of the death of any person in respect of the fee simple of any land or any interest in land comprised in the property passing on the death of that person, allowance shall be made in determining the value of the estate for the purposes of estate duty under subsection (1) of section seven of the principal Act, for the amount of increment value duty so to be collected as if it were a debt.

**63 Extension of exemption of objects of national, scientific, or historic interest.**

In the case of any person dying on or after the thirtieth day of April nineteen hundred and nine, section twenty of the Finance Act, 1896 (which gives an exemption for objects of national, scientific, or historic interest), shall be extended so as to give an exemption from legacy and succession duty as well as from estate duty, and as so extended shall take effect whether the property in respect of which the exemption is given is settled or not, and as if the reference therein to national, scientific, or historic interest included a reference to artistic interest, and duty shall only become chargeable when the property is sold, and then only in respect of the last death on which the property passed.

**64 Protection of purchasers and mortgagees of interests in expectancy.**

Where an interest in expectancy within the meaning of Part I. of the principal Act in any property has, before the thirtieth day of April nineteen hundred and nine, been bonâ fide sold or mortgaged for full consideration in money or money's worth, then no other duty on that property shall be payable by the purchaser or mortgagee when the interest falls into possession than would have been payable if this Part of this Act had not passed, and in the case of a mortgage any higher duty payable by the mortgagor shall rank as a charge subsequent to that of the mortgagee.

## PART IV

### INCOME TAX.

**65 Income tax for 1909-1910.**

- (1) Income tax for the year beginning on the sixth day of April nineteen hundred and nine 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 nine shall, subject to the provisions of this Act, have full force and effect with respect to any duties 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

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house duty, during the year ending on the fifth day of April nineteen hundred and nine 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 nine, as it was applied with respect to the year which commenced on the sixth day of April eighteen hundred and ninety-four.

## **66 Super-tax on incomes over 5,000l.**

- (1) In addition to the income tax charged at the rate of one shilling and twopence under this Act, there shall be charged, levied, and paid for the year beginning on the sixth day of April nineteen hundred and nine, in respect of the income of any individual, the total of which from all sources exceeds five thousand pounds, an additional duty of income tax (in this Act referred to as a super-tax) at the rate of sixpence for every pound of the amount by which the total income exceeds three thousand pounds.
- (2) For the purposes of the super-tax, the total income of any individual from all sources shall be taken to be the total income of that individual from all sources for the previous year, estimated in the same manner as the total income from all sources is estimated for the purposes of exemptions or abatements under the Income Tax Acts ; but, in estimating the income of the previous year for the purpose of super-tax,—
- (a) there shall be deducted in respect of any land on which income tax is charged upon the annual value estimated otherwise than in relation to profits (in addition to any other deduction) any sum by which the assessment is reduced for the purposes of collection under section thirty-five of the Finance Act, 1894, or on which duty has been repaid under the provisions of this Act relating to the repayment of duty in respect of the cost of maintenance, repairs, insurance, and management; and
  - (b) there shall be deducted the amount of any premiums in respect of which relief from income tax may be allowed under section fifty-four of the Income Tax Act, 185-3 (as extended by any subsequent enactment) ; and
  - (c) there shall be deducted in the case of a person in the service of the Crown abroad, any such sum as the Treasury may allow for expenses which in their opinion are necessarily incidental to the discharge of the functions of his office and for which an allowance has not already been made ;
  - (d) Any income which is chargeable with income tax by way of deduction shall be deemed to be income of the year in which it is receivable, and any deductions allowable on account of any annual sums paid out of the property or profits of the individual shall be allowed as deductions in respect of the year in which they are payable, notwithstanding that the income or the annual sums, as the case may be, accrued in whole or in part before that year.

**67 Further relief in respect of earned incomes.**

Section nineteen of the Finance Act, 1907, shall apply to any individual who claims and proves, in manner provided by that section, that his total income from all sources exceeds two thousand pounds and does not exceed three thousand pounds, as if one shilling were substituted for ninepence, and as if, as respects any such individual, the thirty-first day of July nineteen hundred and ten were substituted for the thirtieth day of September nineteen hundred and seven.

**68 Relief in respect of children.**

- (1) If any individual who has been assessed or charged to income tax, or has paid income tax either by deduction or otherwise, claims and proves, in manner prescribed by the Income Tax Acts, that his total income from all sources, although exceeding one hundred and sixty pounds, does not exceed five hundred pounds, and that he has a child or children living and under the age of sixteen years at the commencement of the year for which the income tax is charged, he shall be entitled, in respect of every such child, to relief from income tax equal to the amount of the income tax upon ten pounds.

The expression " child " and the expression " children " in this provision includes stepchild or stepchildren, but does not include illegitimate child or illegitimate children : Provided that where the parents of any illegitimate child or children shall, after the birth of such child or children, have married each other, such illegitimate child or children shall be included in the expression " child " and " children. "

- (2) Any relief under this section shall be given either by reduction of the assessment, or repayment of the excess which has been paid, or by both those means, as the case may require.
- (3) Subsections (2) and (3) of section nineteen of the Finance Act, 1907, shall be construed as if this section were mentioned therein as well as section eight of the Finance Act, 1898, and section fifty-four of the Income Tax Act, 1853, and the provisions of the Income Tax Acts, which relate to claims for exemption, relief, or abatement, or the proof to be given with respect to those claims shall apply to claims for relief under this section, and the proof to be given with respect to those claims.

**69 Extension of relief from income tax under Schedule A.**

- (1) If the owner of any land or houses to which this section applies shows that the cost to him of maintenance, repairs, insurance, and management, according to the average of the preceding .five years, has exceeded, in the case of land, ' one-eighth part of the annual value of the land as adopted for the purpose of income tax under Schedule A, and in the case of houses one-sixth part of that value, he shall be entitled, in addition to any reduction of the assessment under section thirty-five of the Finance Act, 1894, on making a claim for the purpose, to repayment of the amount of the duty on the excess, not exceeding in the case of land one-eighth part, and in the case of houses one-twelfth part, of the duty on an amount equal to the annual value.

For the purposes of this section the term " maintenance " shall include the replacement of farm-houses, farm buildings, cottages, fences, and other works where the replacement is necessary to maintain the existing rent.

- (2) This section shall apply to any land (inclusive of farmhouses and other buildings, if any) the assessment on which is, for the purpose of collection, reduced under section

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thirty-five of the Finance Act, 1894, and to any houses the annual value of which, as adopted for the purpose of income tax under Schedule A, does not exceed eight pounds, the assessment on which is so reduced.

- (3) In comparing the cost of maintenance, repairs, insurance, and management of any land or houses for the purpose of this section with the annual value of the land or houses, the total cost of the maintenance, repairs, insurance, and management on any land managed as one estate, or of any houses on any such land, shall be compared with the total annual value of the land or houses as the case may be.
- (4) All the provisions of the Income Tax Acts which relate to claims for exemption, relief, or abatement, or the proof to be given with respect to those claims, shall apply to claims for repayment under this section and the proof to be given with respect to those claims:

Provided that if the owner of any land or house makes and delivers to the surveyor of taxes of any district in which the land or house is wholly or partly situate a declaration as to the cost to him of maintenance, repairs, insurance, and management, and the surveyor is satisfied as to the correctness of the declaration, the amount of the allowance to which the owner is entitled under this section shall be certified by the surveyor, and repayment shall thereupon be made in accordance with his certificate.

- (5) In computing the five-year average for the purposes of this section, the year shall be taken to be the year ending on the thirty-first day of March, or such other date as may be adopted by the owner of the land or houses with the consent of the surveyor of taxes of the district, and the five preceding years shall be taken to be those preceding the commencement of the year for which the duty in respect of which a claim for repayment is made is charged.

**70 Extension of exemption for provident funds of friendly societies and trade unions.**

The exemption from income tax granted by the Income Tax Acts to a friendly society, and by the Trade Union (Provident Funds) Act, 1893, to a registered trade union, by the rules of which "it appears that the sums assured to any person by the society or union do not exceed if by way of gross sum two hundred pounds, or if by way of an annuity thirty pounds a year, shall extend to any registered friendly society and to any registered trade union, ; if the society or union are restricted either by virtue of any Act of Parliament or by their rules from assuring to any person any sum exceeding three hundred pounds by way of gross sum or fifty-two pounds a year by way of annuity.

**71 Exemptions and abatements in case of persons not resident in the United Kingdom.**

- (1) No exemption, abatement, or relief under the Income Tax Acts which depends wholly or partially on the total income of an individual from all sources shall be given to any person, unless the person claiming the exemption, abatement, or relief is resident in the United Kingdom :

Provided that any person who is or has been employed in the service of the Crown or who is employed in the service of any missionary society abroad or in the service of any of the native states under the protectorate of the British Crown, and any person resident in the Isle of Man or Channel Islands and any person resident abroad who satisfies the Commissioners that he is so resident for the sake of health, shall be entitled to any relief, exemption, or abatement to which he would be entitled if he were resident

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in the United Kingdom, and if his total income from all sources were calculated as including any income in respect of which income tax may not be chargeable as well as income in respect of which income tax is chargeable.

- (2) Income tax shall not be payable in respect of the interest or dividends of any securities of a foreign State or a British possession which are payable in the United Kingdom, where it is proved to the satisfaction of the Commissioners that the person owning the securities and entitled to the interest or dividends is not resident in the United Kingdom; but, save as provided by this or any other Act, no allowance shall be given or repayment made in respect of the income tax on the interest or dividends on the securities of any foreign State or any British possession which are payable in the United Kingdom.

Relief from income tax under this subsection may be given by the Commissioners either by way of allowance or repayment on a claim being made to them for the purpose within six months of the end of the year for which the income tax is charged.

## **72 Special provisions as to assessment of super-tax.**

- (1) The super-tax shall be assessed and charged by the Commissioners for the special purposes of the Acts relating to income tax (in this Act referred to as the Special Commissioners).
- (2) Every person upon whom notice is served in manner prescribed by regulations under this section by the Special Commissioners requiring him to make a return of his total income from all sources or, in the case of a notice served upon any person who is chargeable with or liable to be assessed to income tax under section forty-one of the Income Tax Act, 1842, or section twenty-four of the Customs and Inland Revenue Act, 1890, as representing an incapacitated, non-resident, or deceased person, of the total income from all sources of the incapacitated, non-resident, or deceased person, shall, whether he is or is not chargeable with the super-tax, make such a return in the form and within the time required by the notice.
- (3) It shall be the duty of every person chargeable with the super-tax to give notice that he is chargeable to the Special Commissioners before the thirtieth day of September in the year for which the super-tax is chargeable : Provided that for the purpose of this provision the thirty-first day of July nineteen hundred and ten shall, as respects the year beginning on the sixth day of April nineteen hundred and nine, be substituted for the thirtieth day of September of that year.
- (4) If any person without reasonable excuse fails to make any return or to give any notice required by this section, he shall be liable to a penalty not exceeding fifty pounds, and after judgment has been given for that penalty to a further penalty of the like amount for every day during which the failure continues.

Any penalty under this provision shall be recoverable in the High Court, or in Scotland in the Court of Session.

- (5) If any person fails to make a return under this section, or if the Special Commissioners are not satisfied with any return made under this section, the Special Commissioners may make an assessment of the super-tax according to the best of their judgment.
- (6) All provisions of the Income Tax Acts relating to persons who are to be chargeable with duty, assessments, and appeals against those assessments, and to the collection and recovery of duty, and to cases to be stated for the opinion of the High Court shall,

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so far as they are applicable, apply to the charge, assessment, collection, and recovery of duty under this section, and the Special Commissioners shall, for the purpose of assessment, have any powers of an inspector or surveyor of taxes, and for the purpose of the representation of the Crown on any appeal before the Special Commissioners, any person nominated in that behalf by the Commissioners of Inland Revenue shall have the same powers at and upon the determination of the appeal as a surveyor of taxes has at and upon the determination of any appeal under the Income Tax Acts.

- (7) The Special Commissioners may amend any assessment made by them under this section, or make an assessment or an additional assessment, during any time within the year of assessment, or within three years after the expiration thereof.
- (8) The Commissioners may make regulations for the purpose of carrying this section into effect.

## PART V

### STAMPS.

#### 73 Stamp duty on conveyances or transfers on sale.

The stamp duties chargeable under the heading " CONVEYANCE OR TRANSFER on Sale of any Property " in the First Schedule to the Stamp Act, 1891 (in this Part of this Act referred to as the principal Act), shall be double those specified in that Schedule: Provided that this section shall not apply to the conveyance or transfer of any stock or marketable security as defined by section one hundred and twenty-two of that Act, or to a conveyance or transfer where the amount or value of the consideration for the sale does not exceed five hundred pounds and the instrument contains a statement certifying that the transaction thereby effected does not form part of a larger transaction or of a series of transactions in respect of which the amount or value, or the aggregate amount or value, of the consideration exceeds five hundred pounds.

#### 74 Stamp duty on gifts inter vivos.

- (1) Any conveyance or transfer operating as a voluntary disposition inter vivos shall be chargeable with the like stamp duty as if it were a conveyance or transfer on sale, with the substitution .in each case of the value of the property conveyed or transferred for the amount or value of the consideration for the sale :

Provided that this section shall not apply to a conveyance or transfer operating as a voluntary disposition of property to a body of persons incorporated by a special Act, if that body is by its Act precluded from dividing any profit among its members and the property conveyed is to be held for the purposes of an open space or for the purposes of its preservation for the benefit of the nation.

- (2) Notwithstanding anything in section twelve of the principal Act, the Commissioners may be required to express their opinion under that section on any conveyance or transfer operating as a voluntary disposition inter vivos, and no such conveyance or transfer shall be deemed to be duly stamped unless the Commissioners have expressed their opinion thereon in accordance with that section.
- (3) Subsection (2) of section fifteen of the principal Act, which enables certain instruments to be stamped after execution, shall apply to conveyances or transfers operating as

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voluntary dispositions inter vivos as if those conveyances or transfers were specified in the first column of the table in paragraph (d) of that subsection, and the grantor or transferor were specified in the second column of that table.

- (4) Where any instrument is chargeable with duty both as a conveyance or transfer under this section and as a settlement under the heading "Settlement" in the First Schedule to the principal Act, the instrument shall be charged with duty as a conveyance or transfer under this section, but not as a settlement under the principal Act.
- (5) Any conveyance or transfer (not being a disposition made in favour of a purchaser or incumbrancer or other, person in good faith and for valuable consideration) shall, for the purposes of this section, be deemed to be a conveyance or transfer operating as a voluntary disposition inter vivos, and (except where marriage is the consideration) the consideration for any conveyance or transfer shall not for this purpose be deemed to be valuable consideration where the Commissioners are of opinion that by reason of the inadequacy of the sum paid as consideration or other circumstances the conveyance or transfer confers a substantial benefit on the person to whom the property is conveyed or transferred.
- (6) A conveyance or transfer made for nominal consideration for the purpose of securing the repayment of an advance or loan or made for effectuating the appointment of a new trustee or the retirement of a trustee, whether the trust is expressed or implied, or under which no beneficial interest passes in the property conveyed or transferred, or made to a beneficiary by a trustee or other person in a fiduciary capacity under any trust, whether expressed or implied, or a disentailing assurance not limiting any new estate other than an estate in fee simple in the person disentailing the property, shall not be charged with duty under this section, and this subsection shall have effect notwithstanding that the circumstances exempting the conveyance or transfer from charge under this section are not set forth in the conveyance or transfer.

#### **75 Stamp duty on leases.**

The stamp duties chargeable under the heading "LEASE OR TACK" in the First Schedule to the principal Act, shall be double the duties which would have been chargeable immediately before the passing of this Act under that heading, but this section shall not apply in the case of leases or tacks on which a fixed duty of a penny is chargeable under that heading.

#### **76 Stamp duty on marketable securities.**

The stamp duties chargeable on marketable securities (other than colonial government or colonial municipal securities) under paragraphs (1) (c), (3), and (4) of the heading "MARKETABLE SECURITY" in the First Schedule to the principal Act, and the stamp duty chargeable on marketable securities, share warrants, or stock certificates to bearer under subsection (1) of section four of the Finance Act, 1899, shall be double those specified in the said Schedule or charged by the said section, as the case may be.

#### **77 Alteration and extension of duty on contract notes.**

- (1) There shall be charged on every contract note as defined by this section for or relating to the sale or purchase of any stock or marketable security the following stamp duties:  
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Where the value of the stock or marketable security—

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is 5l and does not exceed 100l	Sixpence,
exceeds 100l and does not exceed 500l	One Shilling,
exceeds 500l and does not exceed 1,000l	Two Shillings,
exceeds 1,000l and does not exceed 1,500l	Three Shillings,
exceeds 1,500l and does not exceed 2,500l	Four Shillings,
exceeds 2,500l and does not exceed 5,000l	Six Shillings,
exceeds 5,000l and does not exceed 7,500l	Eight Shillings,
exceeds 7,500l and does not exceed 10,000l	Ten Shillings,
exceeds 10,000l and does not exceed 12,500l	Twelve Shillings,
exceeds 12,500l and does not exceed 15,000l	Fourteen Shillings,
exceeds 15,000l and does not exceed 17,500l	Sixteen Shillings,
exceeds 17,500l and does not exceed 20,000l	Eighteen Shillings.
exceeds 20,000l	One Pound.

- (2) Where a contract note is a continuation or carrying over note made for the purpose of continuing or carrying over any transaction for the sale or purchase of stock or marketable securities, the contract note, although it is made in respect of both a sale and purchase, shall be charged with duty under this section as if it related to one of those transactions only, and, if different rates of duty are chargeable in respect of those transactions, to that one of those transactions which would render the contract note chargeable at the highest rate
- (3) For the purposes of this Part of this Act, the expression " contract note " means the note sent by a broker or agent to his principal, or by any person who by way of business deals, or holds himself out as dealing, as a principal in any stock or marketable securities, advising the principal, or the vendor or purchaser, as the case may be, of the sale or purchase of any stock or marketable security, but does not include a note sent by a broker or agent to his principal where the principal is himself acting as broker or agent for a principal, and is himself either a member of a stock exchange in the United Kingdom, or a person who, *bonâ fide* carries on the business of a stockbroker in the United Kingdom, and is registered as such in the list of stockbrokers kept by the Commissioners.
- (4) Where a contract note advises the sale or purchase of more than one description of stock or marketable security, the note shall be deemed to be as many contract notes as there are descriptions of stocks or securities sold or purchased.



## **78 Obligation to execute contract note.**

- (1) Any person who effects any sale or purchase of any stock or marketable security of the value of five pounds or upwards as a broker or agent, and any person who by way of business deals, or holds himself out as dealing, as a principal in any stock or marketable security, and buys or sells any such stock or marketable security of a value of five pounds or upwards, shall forthwith make and execute a contract note, and transmit the note to his principal, or to the vendor or purchaser of the stock or marketable security, as the case may be, and in default of so doing shall incur a fine of twenty pounds : Provided that this section shall not apply in the case of transactions carried out in the course of their ordinary business relations between members of stock exchanges in the United Kingdom.
- (2) If any person makes or executes any contract note chargeable with duty and not being duly stamped, he shall incur a fine of twenty pounds.
- (3) No broker, agent, or other person shall have any legal claim to any charge for brokerage, commission, or agency, with reference to the sale or purchase of any stock or marketable security of the value of five pounds or upwards, if he fails to comply with the provisions of this section.
- (4) All stamp duties on a contract note are to be denoted by an adhesive stamp appropriated to a contract note, and the stamp is to be effectively cancelled by the person by whom the note is executed by writing on or across the stamp his name or initials, or the name or initials of his firm, together with the true date of his so writing.
- (5) Any stamp duty on a contract note may be added to the charge for brokerage or agency, and shall be recoverable as part of such charge.

## **79 Extension of provisions as to contract notes to sale or purchase of options.**

- (1) The provisions of this Part of this Act as to contract notes shall apply to any contract under which an option is given or taken to purchase or sell any stock or marketable security at a future time at a certain price, as it applies to the sale or purchase of any stock or marketable security, but the stamp duty on such a contract shall be one-half only of that chargeable on a contract note: Provided that, if under the contract a double option is given or taken, the contract shall be deemed to be a separate contract in respect of each option.
- (2) Any contract note made or executed in pursuance and in consequence of the exercise of an option given or taken under a contract duly stamped in accordance with the provisions of this section shall be charged with one-half only of the duty which would otherwise have been chargeable thereon under this Part of this Act, provided that it bears on its face a certificate by the broker, agent, or other person mentioned in the last preceding section to the effect that it is made or executed in the exercise of an option for which a duly stamped contract has been rendered on the date mentioned in the certificate.

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## PART VI

### CUSTOMS AND EXCISE OTHER THAN LIQUOR LICENCE DUTIES.

#### 80 Duty on tea.

The duty of Customs payable on tea until the first day of July nineteen hundred and nine, under the Finance Act, 1908, shall be deemed to have been continued as from that date, and shall continue to be charged, levied, and paid until the first day of July nineteen hundred and ten, on the importation thereof into Great Britain or Ireland, (that is to say)—

Tea, the pound	Fivepence.
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#### 81 Additional Customs and Excise duties on spirits.

- (1) In addition to the duties of Customs payable on spirits imported into Great Britain or Ireland there shall as from the thirtieth day of April nineteen hundred and nine be charged, levied, and paid, the duties specified in Part I. of the Third Schedule to this Act.
- (2) The duties of Customs on the articles mentioned in Part II. of the Third Schedule to this Act, being articles in which spirit is contained, or in the manufacture of which spirit is used, shall be proportionately increased, and there shall accordingly be charged, levied, and paid the duties specified in that Part of the schedule.
- (3) In addition to the Excise duty payable for every gallon computed at proof of spirits distilled in the United Kingdom there shall, as from the thirtieth day of April nineteen hundred and nine, be charged, levied, and paid an Excise duty of three shillings and ninepence, and so on in proportion for any less quantity.

#### 82 Additional Customs duty on beer.

- (1) In addition to the duties of Customs payable on beer of the descriptions called or similar to mum, spruce, or black beer, or Berlin white beer, or other preparations, whether fermented or not fermented, of a similar character imported into Great Britain or Ireland, there shall, as from the twelfth day of May nineteen hundred and nine, be charged, levied, and paid the following duties (that is to say):—

For every thirty-six gallons thereof, where the worts thereof are or were before fermentation of a specific gravity—

	£	s.	d.
Not exceeding one thousand two hundred and fifteen degrees	0	1	0
Exceeding one thousand two hundred and fifteen degrees	0	1	2

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- (2) In addition to the duties of Customs payable on any description of beer other than that specified in the preceding subsection imported into Great Britain or Ireland, there shall, as from the twelfth day of May nineteen hundred and nine, be charged, levied, and paid the following duty (that is to say):—

	£	s.	d.
For every thirty-six gallons where the worts thereof were before fermentation of a specific gravity of one thousand and fifty-five degrees	0	0	3

and there shall be allowed and paid in respect Of all such beer a similar addition to the drawback granted on exportation, shipment for use as stores, or removal to the Isle of Man, by section four of the Customs and Inland Revenue Act, 1881 ;

And so, as to both duty and drawback, in proportion for any difference in gravity.

- (3) In addition to the drawback of Excise payable in respect of beer exported from the United Kingdom as merchandise or shipped for use as ship's stores, there shall be allowed and paid in respect of beer brewed in the United Kingdom, as from the first day of November nineteen hundred and nine—

	£	s.	d.
For every thirty-six gallons of beer of an original gravity of one thousand and fifty-five degrees, an allowance of	0	0	3

and so in proportion for any difference in quantity or gravity.

### 83 Duties and drawback on tobacco.

- (1) In lieu of the duties of Customs payable on tobacco there shall, as from the thirtieth day of April nineteen hundred and nine, be charged, levied, and paid upon tobacco imported into Great Britain or Ireland the duties specified in Part I. of the Fourth Schedule to this Act.
- (2) In lieu of the Excise duties payable on tobacco grown in Ireland there shall, as from the thirtieth day of April nineteen hundred and nine, be charged, levied, and paid on tobacco grown in Ireland the duties specified in Part II. of the Fourth Schedule to this Act, and, as from the first day of January nineteen hundred and ten, Excise duties at the same rates shall be charged, levied, and paid on tobacco grown in England or Scotland, and there shall be charged on a licence to be taken out annually by every

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person growing, cultivating, or curing, tobacco in England or Scotland an Excise duty of five shillings.

- (3) Drawback allowed under section one of the Manufactured Tobacco Act, 1863, as extended or amended by any subsequent Act, on tobacco exported from Great Britain or Ireland or deposited in a bonded or King's warehouse shall, as from the first day of June nineteen hundred and nine, be allowed at the rates set out in Part III. of the Fourth Schedule to this Act, instead of at the rates set out in the First Schedule to the Finance Act, 1906, but subject to the provisions affecting allowance of drawback contained in the Schedule to the Finance Act, 1904.
- (4) Subsections (2) and (3) of section three of the Finance Act, 1908, shall apply with reference to the Excise duties imposed by this section as they apply with reference to the duties imposed by that section, and shall apply to tobacco grown in England and Scotland in the same manner as they apply to tobacco grown in Ireland.
- (5) So much of any Act as prohibits or restrains the growth, making, or curing of tobacco in England or Scotland shall, as from the first day of January nineteen hundred and ten, cease to have effect.

#### **84 Duty on motor spirit.**

- (1) As from the thirtieth day of April nineteen hundred and nine, there shall be charged, levied, and paid on motor spirit imported into Great Britain or Ireland a duty of Customs at the rate of threepence per gallon.
- (2) As from the first day of June nineteen hundred and nine, there shall be charged, levied, and paid on motor spirit made in Great Britain or Ireland, an Excise duty at the rate of threepence per gallon, and there shall be charged on a licence to be taken out annually by a manufacturer of motor spirit and by a dealer in motor spirit an Excise duty of one pound and an Excise duty of five shillings respectively. But a person may sell motor spirit in a quantity not exceeding one pint at one time to one person without taking out a licence as a dealer in motor spirit.
- (3) Where a licence is taken out under this provision by a manufacturer of motor spirit, it shall not be necessary for him to obtain any further licence in respect of any still kept or used by him solely for the purpose of the manufacture or refinement of motor spirit.
- (4) The provisions of section ninety-eight of the Customs Consolidation Act, 1876, which relate to the charging of duty at the time of the actual delivery of goods, shall apply to motor spirit as they apply to the specially excepted goods mentioned in that section.
- (5) The Excise duty on motor spirit may be charged in such manner and at such time during the process of the manufacture of motor spirit as the Commissioners may determine.
- (6) Sections eight and nine of the Finance Act, 1901, as amended by section two of the Revenue Act, 1903, shall apply with respect to the manufacture of and dealing in motor spirit as they apply with respect to the manufacture of saccharin, and any provisions of the Spirits Act, 1880, or any Acts amending that Act, may be applied by regulations made in pursuance of this subsection to motor spirit, and the regulations may provide for the sale and delivery by duly licensed persons of motor spirit from vans at the premises of persons who are dealers therein, and buy it to sell again.
- (7) In this Part of this Act, the expression " motor spirit" means any inflammable hydrocarbon (including any mixture of hydrocarbons and any liquid containing hydrocarbon) which is capable of being used for providing reasonably efficient motive

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power for a motor car, and the expression " manufacturer of motor spirit " includes a refiner of motor spirit and a person otherwise preparing motor spirit.

- (8) The Commissioners may by regulations prescribe tests for the purpose of determining whether any inflammable hydrocarbon or mixture of hydrocarbons, or liquid containing hydrocarbon, is motor spirit within the meaning of this provision.

## **85 Exemptions and allowances in respect of the duty on motorspirit.**

- (1) Any person using motor spirit for purposes other than supplying motive power for motor cars shall be entitled, in accordance with the provisions of this section, to an allowance or repayment of the duty paid in respect of the motor spirit under this Act, and any person using motor spirit for any of the purposes mentioned in Part I. of the Fifth Schedule to this Act shall be entitled, in accordance with the provisions of this section, to an allowance or repayment of half the amount of the duty paid under this Act in respect of the spirit:

Provided that a person using motor spirit before the first day of January nineteen hundred and ten for any of the purposes mentioned in Part I. of the Fifth Schedule to this Act, shall be entitled, in accordance with the provisions of this section, to an allowance or repayment of the whole amount of any duty paid under this Act in respect of the spirit so used.

- (2) Motor spirit may be delivered without payment of duty or on the payment of half the amount of the full duty payable, in such cases as the Commissioners may approve, and subject to such conditions as to proof, security, and otherwise, as the Commissioners may impose for the purpose of protecting the revenue.
- (3) If any person proves to the satisfaction of the Commissioners that he has within the previous six months used any quantity exceeding five gallons of spirit which is motor spirit within the meaning of this Act. for purposes other than supplying motive power for motor cars, or in other circumstances entitling him to the repayment of the full amount of duty in respect of the spirit, he shall be entitled to obtain from the Commissioners a repayment of any duty which has been paid in respect of the spirit, and if any person proves to the satisfaction of the Commissioners that he has within the previous six months used any quantity exceeding five gallons of motor spirit for the purposes mentioned in Part I. of the Fifth Schedule to this Act, and that the full duty has been paid upon the spirit so used, he shall be entitled to obtain from the Commissioners a repayment of half the amount of duty so paid.

## **86 Duty on licences for motor cars.**

- (1) The Excise duty for carriages payable in respect of any motor car which is a carriage within the meaning of section four of the Customs and Inland Revenue Act, 1888, shall, as from the first day of January nineteen hundred and ten, be at the rates specified in Part II. of the Fifth Schedule to this Act, and the duty so payable shall be charged throughout the United Kingdom, and the Acts relating to the payment of the duty shall extend accordingly.
- (2) The unit of horse power for the purpose of any rate of duty in the said Schedule shall be calculated in accordance with regulations made by the Treasury for the purpose, and section twenty-seven of the Revenue Act, 1869 (which relates to the prosecution of offences), shall, so far as relates to motor cars charged with duty under this section,

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be construed as if the horse-power of the car were substituted for the weight of the carriage.

- (3) Nothing in this section shall be construed so as to increase or affect the duty now payable in respect of any motor cab, motor omnibus or other vehicle, being a hackney carriage within the meaning of section four of the Customs and Inland Revenue Act, 1888, or to require a licence to be taken out for any motor car which is not a carriage within the meaning of that section.
- (4) If a duly qualified medical practitioner proves to the satisfaction of the Commissioners or council by whom the licence is granted that any motor car kept by him is kept for the purpose of his profession, he shall be entitled to an allowance in respect of the duty payable under this section on the licence for the car equal to half the amount of duty so payable.
- (5) If an officer of the Army Motor Reserve produces to the Commissioners or council by whom the licence is granted a certificate, granted in such manner and by such persons as the Army Council direct, that any motor car kept by him has been used for the purposes of the Army Motor Reserve under regulations made by the Army Council for at least six days in any year, he shall be entitled to an allowance in respect of the duty payable under this section on the car bearing the same proportion to the whole amount of duty as the number of days for which the car has been so used bears to a full year.
- (6) No duty shall be payable under this section in respect of any motor fire-engine or ambulance.
- (7) The Treasury may make regulations providing for the total or partial exemption, for a limited period, from the duty payable under this section of any motor car brought into the United Kingdom by persons making only a temporary stay in the United Kingdom.
- (8) Any licence to keep a motor car granted for the year nineteen hundred and ten before the passing of this Act shall, if the motor car is a motor car charged with duty under this section, cease to have effect on the thirtieth day of June nineteen hundred and ten, and the provisions of the Acts relating to the payment of duties on carriages shall, as respects the year nineteen hundred and ten, have effect with respect to any motor car so charged as if the first day of July were substituted for the first day of January.

On payment of duty in pursuance of this provision in respect of a motor car so charged, allowance shall be made for any duty previously paid in respect thereof for the year nineteen hundred and ten, and, if the duty so previously paid exceeds the duty payable under this section, the excess shall be repaid : Provided that in England no such allowance or repayment shall be made unless the duty is paid in pursuance of this provision in the same county or county borough in which the duty in respect of which an allowance or repayment is claimed has been paid.

- (9) The expression "motor car" in this Part of this Act means any vehicle which is for the time being a light locomotive within the meaning of the Locomotives on Highways Act, 1896, as amended by any other Act, and includes a motor bicycle and a motor tricycle, but does not include a vehicle drawn by a motor car.

## PART VII

### PROVISIONS AS TO PAYMENTS TO LOCAL AUTHORITIES AND TO ROAD IMPROVEMENT ACCOUNT.

#### **87 Payments in respect of monopoly value to go to Exchequer.**

- (1) All payments made in pursuance of conditions attached by licensing justices to the grant of new on-licences under section four of the Licensing Act, 1904, shall, notwithstanding anything in that or any other Act, be paid into the Exchequer.
- (2) On any proceedings relating to the grant or confirmation of a new on-licence, to which section four of the Licensing Act, 1904, applies, any person authorised by the Commissioners shall be entitled to be heard by the justices or confirming authority on the question of the payments to be imposed for the purpose of securing monopoly value to the public.

#### **88 Payments into local taxation account in respect of liquor licences, and provisions as to duties on motor car licences.**

- (1) For the purpose of subsection (3) of section seventeen of the Finance Act, 1907 (which makes provision with respect to the method of calculating proceeds of duties in the event of any alteration of the rate of duties), the proceeds of the duties on the licences for the sale of intoxicating liquor and on licences for motor cars imposed by this Act shall, so far as respects the sums to be paid into any local taxation account out of the Consolidated Fund in respect thereof, be deemed notwithstanding anything in that subsection to be the amount of the proceeds of the duties on those licences during the year ending the thirty-first day of March nineteen hundred and nine.
- (2) Notwithstanding the proviso to subsection (4) of section six of the Finance Act, 1908, the duties on licences for motor cars in England and Wales shall continue to be duties to which that section applies, but any sum by which the proceeds of those duties levied in any financial year by the council of any county or county borough exceed the amount of the proceeds of those duties certified by the Local Government Board to have been collected in that county or county borough during the year ending the thirty-first day of March nineteen hundred and nine shall be paid into the Exchequer, and a council shall be entitled to be paid any sum by which the proceeds of those duties levied by them in any year are less than that amount, and the sums so-to be paid shall be charged on and paid out of the Consolidated Fund or the growing produce thereof.
- (3) Any reference in this section to duties on licences for motor cars or to the proceeds of those duties shall be construed to be a reference only to the duties on the licences which are affected by this Act.

#### **89 Collection of motor car licence duties in Ireland.**

- (1) The duties on licences for motor cars imposed by this Act shall be levied in Ireland by county councils in accordance with provisions for the purpose to be made by His Majesty by Order in Council as from the date mentioned in the Order, and subject as respects the current year to such variations of the dates for delivery of declarations and payment "of duties as may be made by the Order, and subsections (3) (4) and (5) of section twenty of the Local Government Act, 1888, shall apply to those duties and the Order under this section as they apply to duties transferred and an order of

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transfer made under that section, with the exception of the provision in paragraph (1) of subsection (4) as to the account to which penalties and forfeitures are to be carried in the county fund, and with the substitution of " Commissioners of Customs and Excise for " Commissioners of Inland Revenue."

- (2) The duties to be levied by a county council under this section shall be paid into the Exchequer in such manner and in accordance with such directions as may be contained in the Order, and there shall be paid to every county council in every year a sum equal to five per cent. of the duties levied by the council during the preceding year, and the sums so to be paid shall be charged on and paid out of the Consolidated Fund or the growing produce thereof.
- (3) In this section "county council" includes the council of a county borough.

**90      Payment of duties on motor spirit and motorcar licences to road improvement account.**

- (1) There shall be charged on and paid out of the Consolidated Fund or the growing produce thereof a sum (in this Act referred to as the road improvement grant) equal to the net proceeds of the duties on motor spirit and the net proceeds of the duties on licences for motor cars which are affected by this Act.
- (2) The road improvement grant shall be carried to a separate account to be established under regulations made by the Treasury for the purpose, and, subject to such regulations as may be made by the Treasury with respect to accounts and accumulation of moneys standing to the account, be administered and applied in manner provided by the Development and Road Improvement Funds Act, 1909.
- (3) The expression " the net proceeds of the duties " means the amount of those duties paid into the Exchequer, after deducting such sums as are certified by the Commissioners to be the cost of collecting the duties, and after deducting in the case of duties payable on licences for motor cars any sum which is payable to any local taxation account in respect of the proceeds of those duties, or to any council in respect of any deficiency in the proceeds of those duties.

**91      Payment of half the proceeds of the duties on land values for benefit of local authorities.**

- (1) There shall be charged on and paid out of the Consolidated Fund or the growing produce thereof a sum equal to one-half of the net proceeds of the duties on land values under Part I. of this Act (including mineral rights duties).
- (2) The sums so charged shall be carried to a separate account, to be established under regulations made by the Treasury for the purpose, and, subject to such regulations as may be made by the Treasury in respect of accounts, audit, and accumulation of moneys standing to the account, be appropriated for the benefit of local authorities in the United Kingdom in such manner as Parliament may hereafter determine.



## PART VIII

### GENERAL.

#### **92 Application of existing enactments to licences granted under this Act.**

All the powers, provisions, regulations, and directions contained in any Act relating to excise duties or licences, or to penalties or forfeitures under Excise Acts, and now or hereafter in force, shall respectively be of full force and effect with respect to the excise duties charged by and the excise licences mentioned in this Act, so far as the same are applicable and are consistent with the provisions of this Act, as fully and effectually as if the same had been herein specially enacted with reference to the said duties and licences.

#### **93 Laying of rules and regulations before Parliament.**

- (1) All rules and regulations made by the Treasury or by the Commissioners of Inland Revenue or by the Commissioners of Customs and Excise under this Act shall be laid before each House of Parliament as soon as may be after they are made, and, if an address is presented to His Majesty by either House of Parliament within the next subsequent forty days on which that House has sat next after any such rule or regulation is laid before it, praying that the rule or regulation may be annulled, His Majesty in Council may, if it seems fit, annul the rule or regulation and it shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder.
- (2) If any rule or regulation is so annulled any duty previously paid which, but for the rule or regulation, would not have been payable, shall be repaid by the Commissioners, without prejudice, however, to the right of the Commissioners to reassess the duty in accordance with any rule or regulation which may be substituted for the annulled rule or regulation.

#### **94 Penalty for making false statement or representation.**

If any person for the purpose of obtaining any allowance, reduction, rebate, or repayment in respect of any duty under this Act, either for himself or for any other person, or in any return made with reference to any duty under this Act, knowingly makes any false statement or false representation, he shall be liable on summary conviction to imprisonment for a term not exceeding six months with hard labour.

#### **95 Provision as to assessments, payments, &c, made on account of duty before passing of Act.**

- (1) All assessments or charges made or other things done before the passing of this Act with a view to the collection of any duty imposed by this Act shall have the same force and effect as if this Act had been in operation at the time when the assessment or charge was made or other thing done.
- (2) Any payments made before the passing of this Act on account of any duty imposed thereby, and any payments of drawback made before the passing of this Act on account of any such duty, which would have been proper payments on account of duty or proper payments of drawback if this Act had been in force at the time, shall be deemed to be payments properly made under this Act, and, if treated as such before the passing of this Act, shall be deemed to have been properly so treated.

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

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- (3) The liability of any person to pay any sum on account of any duty imposed by this Act shall- not be affected by the fact that he has, before the passing of this Act, paid either directly or by way of deduction any such sum if the sum so paid has been subsequently refunded to him, and any such sum may without prejudice to any other remedy be recovered as a debt due to His Majesty.
- (4) Where any deduction which would have been a legal deduction if this Act had been in force has been made on account of any duty imposed by this Act, and the sum deducted has subsequently been made good by the person making the deduction, that person shall not be prevented from again making the deduction.

In such a case, and also in a case where a person could have made a legal deduction if this Act had been in force on account of any duty imposed by this Act, but has not made it, the person who has made or could have made the deduction, as the case may be, shall be entitled, if there is no future payment from which the deduction may be made, to recover the sum as if it were a debt due from the person to whom the original deduction has been made good or as against whom the deduction could have been originally made.

- (5) Any reference in this section to a duty imposed by this Act includes a reference to a duty increased by this Act.

## **96 Repeal, construction, and short title.**

- (1) The Acts specified in the Sixth. Schedule to this Act are hereby repealed to the extent mentioned in the Third column of that Schedule.
- (2) Any reference to " the Commissioners " in Part II, Part VI, or Part VII of this Act shall be construed as a reference to the Commissioners of Customs and Excise, and any reference to " the Commissioners " in any other Part of this Act shall be construed as a reference to the Commissioners of Inland Revenue.
- (3) Part III of this Act shall be construed together with the Finance Act, 1894.
- (4) Part IV of this Act shall be construed together with the Income Tax Acts, 1842 and 1853, and any other enactments relating to Income Tax, and those enactments and Part IV of this Act are in this Act referred to as the Income Tax Acts.
- (5) Part V of this Act shall be construed together with the Stamp Act, 1891.
- (6) Part VI 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, and Parts II and VI of this Act, so far as they relate to duties of Excise, shall be construed together with the Acts which relate to the duties of Excise and the management of those duties.
- (7) This Act may be cited as the Finance (1909-10) Act, 1910.