



Finance Act 1959

1959 CHAPTER 58

PART I

CUSTOMS AND EXCISE

1 Beer

- (1) In lieu of the duty of excise charged under section one of the Finance (No. 2) Act, 1939, and section six of, and the Second Schedule to, the Finance Act, 1950, and the excise drawback allowed under those provisions.—
 - (a) there shall be charged in respect of beer brewed in the United Kingdom a duty of excise at the rates set out in the second column of Part I of the First Schedule to this Act;
 - (b) on the exportation from the United Kingdom as merchandise, or for use as ships' stores, of beer on which it is shown to the satisfaction of the Commissioners that the duty of excise charged under this subsection has been paid, there shall be allowed an excise drawback at the rates set out in the third column of the said Part I, subject to the provisions of the said First Schedule.
- (2) In lieu of the duties of customs charged under section one of the Finance (No. 2) Act, 1939, and section six of, and the Second Schedule to, the Finance Act, 1950, and the customs drawbacks allowed under those provisions.—
 - (a) there shall be charged in respect of beer imported into the United Kingdom—
 - (i) in the case of beer being goods qualifying for Commonwealth preference under section two of the Import Duties Act, 1958, a duty of customs at the rates set out in the fourth column of Part I of the First Schedule to this Act;
 - (ii) in the case of beer not being such goods, a duty of customs at the rates set out in the fifth column of the said Part I;
 - (b) on the exportation from the United Kingdom as merchandise, or for use as ships' stores, of beer on which it is shown to the satisfaction of the Commissioners that the duty of customs charged under this subsection has been paid, there shall be allowed—

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- (i) in the case of beer being goods qualifying for Commonwealth preference under section two of the Import Duties Act, 1958, a customs drawback at the rate specified in the sixth column of the said Part I;
 - (ii) in the case of beer not being such goods, a customs drawback at the rates set out in the seventh column of the said Part I,subject in either case to the provisions of the said First Schedule.
- (3) The foregoing provisions of this section and Part I of the First Schedule to this Act shall not apply to black beer the worts whereof before fermentation were of a specific gravity of 1200 degrees or more, but the following provisions shall have effect as respects such beer:—
 - (a) in respect of beer brewed in the United Kingdom there shall be charged a duty of excise at the rates set out in the second column of Part II of the First Schedule to this Act;
 - (b) on the exportation from the United Kingdom as merchandise, or for use as ships' stores, of beer in respect of which it is shown to the satisfaction of the Commissioners that the duty of excise charged under this subsection has been paid, there shall be allowed an excise drawback at the rates set out in the third column of the said Part II;
 - (c) there shall be charged in respect of beer imported into the United Kingdom a duty of customs at the rates set out in the fourth column of the said Part II;
 - (d) on the exportation from the United Kingdom as merchandise, or for use as ships' stores, of beer on which it is shown to the satisfaction of the Commissioners that the duty of customs charged under this subsection has been paid, there shall be allowed a customs drawback at the rates set out in the fifth column of the said Part II.
- (4) The said rates are for every thirty-six gallons of beer the worts whereof before fermentation were of the specific gravity specified in relation thereto in the first column of Part I or Part II, as the case may be, of the said First Schedule; and duty or drawback on any less number of gallons shall be charged or allowed proportionately.
- (5) Subsection (6) of section one hundred and thirty-three of the Customs and Excise Act, 1952 (which provides for relief from duty where beer, not being black beer, has been prepared by a process of mixing) shall apply to black beer prepared as mentioned in that subsection after the seventh day of April, nineteen hundred and fifty-nine, except that it shall not apply to beer so prepared—
 - (a) which is not black beer the worts whereof before fermentation were of a specific gravity of 1200 degrees or more, but
 - (b) of which one of the constituents was such black beer.
- (6) The rebates from the duties of excise and customs in respect of black beer for which provision is made by section one hundred and thirty-six of the Customs and Excise Act, 1952, shall cease to be allowed.
- (7) The duties of customs charged, and the customs and excise drawbacks allowed, under this section shall be charged and allowed in addition to the duty and drawbacks charged and allowed in respect of beer under section two of the Finance Act, 1933, and section three of the Finance Act, 1957 (duty on hops and additional duty of customs in respect of beer).

- (8) This section shall have effect as from the eighth day of April, nineteen hundred and fifty-nine.
- (9) Nothing in this Act shall affect any drawback in respect of beer as to which it is shown to the satisfaction of the Commissioners that duty was paid under the law in force before the said eighth day of April.

2 Liquor licences: alteration of amounts of duty

- (1) The amount of the duty charged on a dealer's licence under section one hundred and forty-six of the Customs and Excise Act, 1952, shall be five pounds, and no reduction shall be made where a dealer's licence is granted to the holder of a retailer's licence in respect of the same liquor and the same premises as the retailer's licence.
- (2) The amount of the duty charged on a retailer's licence under section one hundred and forty-nine of the said Act of 1952 shall be ascertained in accordance with the Table set out at the end of this subsection, and accordingly subsection (2) of that section shall have effect as if for the reference therein to the Fourth Schedule to that Act there were substituted a reference to the said Table, and the said Fourth Schedule shall cease to have effect.

TABLE

<i>Type of liquor</i>	<i>On-licence</i>			<i>Off-licence</i>		
	£	s.	d.	£	s.	d.
Spirits	5	0	0	2	0	0
Beer	1	10	0	1	10	0
Wine	1	10	0	1	10	0
Sweets	1	0	0	1	0	0
Cider	1	0	0	1	0	0

- (3) The amount of the duty charged on an occasional licence under section one hundred and fifty-one of the said Act of 1952 shall not vary with the duration of the licence as provided by subsection (3) of that section, and accordingly, in relation to a licence so granted, the said subsection (3) shall have effect as if the words " for each day on which the licence authorises the sale of liquor " were omitted.
- (4) The amount of the duty charged on a passenger vessel licence under section one hundred and fifty-three of the said Act of 1952 shall be one pound and shall not vary with the duration of the licence as provided by subsection (2) of that section, and accordingly the said subsection (2) shall have effect as if for the words from " ten pounds or " to " duty of ten pounds " there were substituted the words " one pound and the licence ".
- (5) The foregoing provisions of this section shall have effect in relation to licences bearing a date after the seventh day of April, nineteen hundred and fifty-nine.
- (6) In consequence of the repeal of the Fourth Schedule to the Customs and Excise Act, 1952, the enactments mentioned in the Second Schedule to this Act (which contain

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references to the said Fourth Schedule) shall have effect subject to the modifications contained in the said Second Schedule.

3 **Liquor licences: amendments as to reliefs**

- (1) Relief from duty on retailers' licences shall no longer be allowed under the following provisions:—

sections thirteen and fourteen of the Finance Act, 1942 (diminution in supplies of, and trade in, liquor caused by war circumstances),
 section forty-seven of the Finance (1909-10) Act, 1910 (excessive payments of monopoly value).

- (2) In section one hundred and sixty-seven of the Customs and Excise Act, 1952 (reduced duty on licences for the sale of spirits of wine for medicinal or scientific purposes) for the words " a reduced duty of ten pounds" there shall be substituted the words " a reduced duty of two pounds ".

- (3) The relief from duty allowed by reason that a licence to a person as a dealer or retailer is granted after the commencement of the licence year shall be calculated in accordance with section two hundred and thirty-seven of the Customs and Excise Act, 1952, and not in accordance with section one hundred and sixty-eight thereof, and accordingly the said section two hundred and thirty-seven shall apply to such licences as it applies to the licences specified in subsection (2) thereof:

Provided that, where a dealer or retailer has been granted relief under subsection (3) of section one hundred and sixty-nine of the said Act of 1952 on his trade being temporarily discontinued, the said section two hundred and thirty-seven shall apply as respects the grant, on his first resuming his trade thereafter, of his new licence as a dealer or retailer as if paragraphs (a) and (b) of subsection (1) thereof were omitted.

- (4) A retailer shall not be entitled to relief from duty under subsection (1) of section one hundred and sixty-nine of the Customs and Excise Act, 1952, and a dealer or retailer shall not be entitled to relief from duty under subsection (2) or subsection (3) of that section, unless his licence ceases to be in force or, as the case may be, his trade is discontinued within nine months after the commencement of the licence year ; and notwithstanding anything in subsection (5) of that section the relief shall consist of such proportion of the full amount of duty for a year as is specified in the following table in relation to the month during which the licence ceases to be in force or, as the case may be, the trade is discontinued, that is to say—

<i>Month from the commencement of the licence year</i>	<i>Proportion of full duty</i>
first to third	three-quarters
fourth to sixth	one-half
seventh to ninth	one-quarter.

- (5) This section shall have effect in relation to licences bearing a date after the seventh day of April, nineteen hundred and fifty-nine.

4 Excise licences required for registered clubs: abolition of duty on statements

- (1) It shall be the duty of the secretary of every registered club to apply on or before the thirty-first day of December, nineteen hundred and fifty-nine, and on or before the thirty-first day of December in every subsequent year, for the grant in respect of the premises habitually used for the purposes of the club of an excise licence under this section (hereinafter referred to as a " club licence "); and if he fails to do so he shall be liable to a penalty of fifty pounds:

Provided that—

- (a) this subsection shall not apply in relation to a club if the Commissioners are satisfied that the club has ceased to be required to be registered ;
 - (b) where a club first becomes a registered club after the thirty-first day of December, nineteen hundred and fifty-nine the foregoing provisions of this section shall have effect as if for the reference therein to the said thirty-first day of December there were substituted a reference to the date of the expiration of the period of fourteen days next after the club is first registered.
- (2) A club licence shall authorise the supply of intoxicating liquor in the premises specified in the licence to members of the club and their guests, and there shall be charged on the licence a duty of excise of five pounds, so however that section two hundred and thirty-seven of the Customs and Excise Act, 1952 (reduced duty on beginner's part-year licence) shall apply to club licences but shall so apply as if paragraphs (a) and (b) of subsection (1) thereof were omitted.
- (3) A club licence shall expire on the thirty-first day of December next after it is granted, so however that the licence shall become void if the club is struck off the register of clubs.
- (4) The supply, on or after the first day of January, nineteen hundred and sixty, of intoxicating liquor to members of a registered club or their guests in premises habitually used for the purposes of the club shall, if a club licence is not in force in respect of those premises, be deemed to be a sale of intoxicating liquor without an excise licence.
- (5) Where the person in possession of a club licence satisfies the Commissioners that any of the following events have occurred in relation to the club within nine months after the commencement of the licence year, that is to say—
- (a) it has ceased to exist, or
 - (b) it has ceased to be required to be registered, or
 - (c) it has been struck off the register of clubs on the ground that it has less than twenty-five members,

he shall be entitled, on the surrender of the licence, to repayment or remission of such proportion of the full amount of duty for a year as is specified in the Table set out at the end of this subsection in relation to the month during which the event occurred:

Provided that this subsection shall not apply if the club has been struck off the register of clubs on grounds which include any ground other than that the club has ceased to exist or has less than twenty-five members.

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TABLE

<i>Month from the commencement of the licence year</i>	<i>Proportion of full duty</i>
first to third	three-quarters
fourth to sixth	one-half
seventh to ninth	one-quarter.

(6) Where, on an application to the Commissioners made by the person in possession of a club licence—

- (a) within one month after the licence ceased to be in force or such further time as the Commissioners may allow, or
- (b) on his surrendering the licence at any earlier time,

being an application made in such form and containing such particulars as the Commissioners may direct and supported by the production of such accounts, invoices, receipts or other documents relating to purchases of intoxicating liquor as the Commissioners may require and (in any case) accompanied by the licence, the Commissioners are satisfied—

- (i) that during the period for which the licence was in force the purchases of intoxicating liquor to be supplied in or to the club or on behalf of the club to the members thereof did not exceed the amount hereinafter mentioned, or
- (ii) that during that period there were no such purchases,

the Commissioners shall repay in a case falling within paragraph (i) of this subsection one-half of the duty on the licence, and in a case falling within paragraph (ii) the whole of that duty; and any such repayment shall be made to the applicant.

For the purposes of this subsection the duty on a club licence shall be taken to be the duty payable on the grant of the licence less any amount falling to be repaid or remitted under the foregoing subsection; and the amount referred to in paragraph (i) of this subsection is two hundred pounds in a case where the duty on the licence is five pounds, and in any other case an amount which bears to two hundred pounds the same proportion as the duty on the licence bears to five pounds.

- (7) The person by whom any register of clubs is kept shall send notice to the Commissioners of the entry of any new club upon that register, and of any case in which a club ceases to be registered on that register.
- (8) For the purposes of any proceedings under this section in respect of any club, the appearance of any person's name in the register of clubs as being for the time being the secretary of the club shall be sufficient evidence of his being the secretary until the contrary is proved.
- (9) The following provisions of the Customs and Excise Act, 1952, shall apply in relation to a club licence as they apply in relation to a licence to carry on a trade, that is to say—
 - section two hundred and thirty-three (form of licence, premises licensed, etc.);
 - section two hundred and thirty-five (renewal of licence);
 - subsection (2) of section two hundred and thirty-six (removal).
- (10) Section one hundred and fifty-six of the Customs and Excise Act, 1952 (which requires statements to be delivered of the purchases of intoxicating liquor by clubs, and charges

duty on the statements) shall cease to have effect, but without prejudice to its operation as to statements of the purchases made in a year ending on or before the thirty-first day of December, nineteen hundred and fifty-nine, so however that in relation to statements of the purchases made in the year ending on the said thirty-first day of December the proviso to subsection (2) thereof shall not apply.

(11) In the application of this section to Scotland—

- (a) in subsection (3), for the words "if the club is struck off the register of clubs " there shall be substituted the words " if the certificate of registration held by the club expires or is cancelled ";
- (b) in subsection (5), for paragraph (c) there shall be substituted the following paragraphs—
 - “(c) the certificate of registration held by the club has expired, or
 - (d) such certificate has been cancelled on the ground that the club has less than twenty-five members”;

and for the proviso to that subsection there shall be substituted the following proviso—

“Provided that this subsection shall not apply if the certificate held by the club has been cancelled on grounds which include any ground other than that the club has ceased to exist or has less than twenty-five members”.

5 Abolition of requirements as to monopoly value

- (1) Conditions shall no longer be attached to the grant of new justices' on-licences for the purpose of securing monopoly value to the public, and any condition in force for that purpose shall be deemed to have ceased to have effect on the eighth day of April, nineteen hundred and fifty-nine, but without prejudice to its operation as respects any sum which became due before that date.
- (2) A person who, in pursuance of any such condition, has paid a sum which became due on or after the said eighth day of April shall be entitled to repayment of that sum.

6 Relief from entertainments duty

- (1) Subject to the provisions of this section, where the entertainments duty chargeable in respect of the entertainments given by any person at any place in the week beginning with the second day of August, nineteen hundred and fifty-nine, or any subsequent week exceeds twenty pounds, he shall be entitled to deduct that amount from the duty which he would otherwise be required to pay over to the Commissioners of Customs and Excise, and where that duty does not exceed twenty pounds he shall not be required to pay over to them any duty in respect of the entertainments given by him in that place in that week.
- (2) Where in any such week as aforesaid two or more persons give chargeable entertainments at the same place, the foregoing subsection shall have effect in relation to each of them with the substitution for twenty pounds of an amount which bears to twenty pounds the same proportion as the number of days or parts of a day in that week on which he gives a chargeable entertainment in that place bears to the aggregate of the numbers of days or parts of days in that week on which both or all of them give chargeable entertainments there.

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- (3) Expressions used in this section and in the Entertainments Duty Act, 1958, have the same meaning in this section as in that Act, except that "chargeable entertainment" does not include an entertainment where, by reason of any exemption or the amount of the payments for admission, no duty is chargeable.
- (4) In respect of the week beginning with the seventh day of June, nineteen hundred and fifty-nine, and subsequent weeks before the one beginning with the said second day of August, the Commissioners of Customs and Excise shall make such repayments of duty as are necessary to secure that no greater amount of duty shall be ultimately paid than if the foregoing provisions of this section had applied to those weeks.

7 Rebate on heavy oils

- (1) For the purposes of section two hundred of the Customs and Excise Act, 1952 (by which rebates are not allowed on heavy oils used as fuel for vehicles to which that section applies) and for the purposes of the definition of "heavy oil vehicle" in section two hundred and two of that Act (which empowers the Commissioners to make regulations for giving effect to the said section two hundred), heavy oils shall be deemed to be used as fuel for a vehicle if, but only if, they are used as fuel for the engine provided for propelling the vehicle or for an engine which draws its fuel from the same supply as the engine so provided.
- (2) The said section two hundred shall not apply to any vehicle while not used on a public road (within the meaning of the Vehicles (Excise) Act, 1949) unless a licence is in force in respect of the vehicle under that Act or a certificate or document in the form of a licence, issued in pursuance of regulations under section twenty of that Act (which relates to the registration of exempted vehicles), is current in respect of the vehicle, and shall not in any circumstances apply to any vehicle exempted from duty under that Act by paragraph (h) of subsection (1) of section seven (which relates to road construction vehicles) or subsection (4) of that section (which provides for exempting occasional use on roads in passing from one part of a holding to another).
- (3) Subject to the foregoing subsection, the said section two hundred shall apply to any vehicle chargeable with duty under the said Act of 1949 as a goods vehicle.
- (4) In the application of this section to Northern Ireland for references to the Vehicles (Excise) Act, 1949, or any provision thereof there shall be substituted references to the Vehicles (Excise) Act (Northern Ireland), 1954, or that provision thereof, so however that for the reference to subsection (4) of section seven of the said Act of 1949 there shall be substituted a reference to subsection (5) of section seven of the said Act of 1954 ; and in paragraph (a) of subsection (4) of section two hundred of the Customs and Excise Act, 1952, for the words from "or as would" to "Northern Ireland" there shall be substituted the words "or in paragraph (a), (b), (c) or (d) of subsection (2) of section four of the Vehicles (Excise) Act (Northern Ireland), 1954".
- (5) This section shall have effect as from the eighth day of April, nineteen hundred and fifty-nine.

8 Increased quota for certificated colonial sugar

The maximum quantity of sugar in respect of which quota certificates may be issued under section six of the Finance Act, 1952 (which relates to -the special preference in respect of colonial sugar) shall, as respects the financial year ending with the thirty-

first day of March, nineteen hundred and sixty and subsequent financial years, be five hundred and forty thousand tons, instead of five hundred and twenty-five thousand tons (the quantity allowed under subsection (6) of the said section six).

9 Extension of Import Duties Act, 1958, s. 5

Section five of the Import Duties Act, 1958 (which, in the case of goods of certain descriptions, authorises the giving of relief from import duty according to intended use or the like as provided by the Third Schedule to the Act), shall have effect as if at the end of that Schedule there were added as a new paragraph 9:—

Herrings may be relieved from import duties if they are imported for conversion into fish meal and oil, or if, after importation but before particulars of their value are supplied for the purpose of determining the duty payable, they are bought for conversion into fish meal and oil, without having previously been bought for another purpose after importation.”

10 Excise duties on mechanically propelled vehicles kept, but not used, on roads

- (1) The duties of excise chargeable under the Vehicles (Excise) Act, 1949, shall be chargeable in respect of the keeping of mechanically propelled vehicles on public roads in Great Britain while not used thereon as well as in respect of their use thereon; and accordingly the enactments mentioned in the Third Schedule to this Act shall have effect subject to the amendments specified in that Schedule.
- (2) For the purposes of the said duties, in so far as chargeable by virtue of this section, a vehicle shall be deemed—
 - (a) to be chargeable with the like duty as on the occasion of the issue of the licence or last licence issued in respect of the vehicle under the said Act of 1949, and to be so chargeable under that one of sections two to six of that Act under which it was chargeable on that occasion, or
 - (b) if no licence has been issued under that Act in respect of the vehicle, to be chargeable under section six of that Act.
- (3) Nothing in this section shall operate so as to render lawful the keeping of a vehicle for any period, in any manner or at any place if to do so would be unlawful apart from this section.
- (4) This section and the Third Schedule to this Act shall come into operation on the first day of October, nineteen hundred and fifty-nine.

11 Vehicles (excise): hackney carriages

- (1) As respects licences taken out after the seventh day of April, nineteen hundred and fifty-nine, subsection (1) of section three of the Vehicles (Excise) Act, 1949, shall have effect with the substitution for paragraph (b) (which relates to the duty on hackney carriages other than tramcars) of the following paragraph:—
 - “(b) in the case of any other hackney carriage, shall be at whichever of the following rates is appropriate having regard to the number of persons (excluding the driver) for which the vehicle has seating capacity, that is to say:—
 - (i) if the vehicle has seating capacity for four persons or less, ten pounds;

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- (ii) if the vehicle has seating capacity for more than four persons, twelve pounds together with an additional ten shillings for each person beyond twenty for whom the vehicle has seating capacity.”
- (2) The holder of a licence (whether current or not) on which duty was chargeable under the said paragraph (b) and which was taken out before the eighth day of April, nineteen hundred and fifty-nine who makes application, in such form as the Minister of Transport and Civil Aviation may direct and before such date as that Minister may by order prescribe, to the council with which the vehicle is for the time being registered shall be entitled to a refund of duty, in respect of any period after the end of March, nineteen hundred and fifty-nine during which the licence has been or (on the assumption that it is not surrendered) will have been current, of an amount equal to one-twelfth of the reduction effected by this section in the annual rate of duty appropriate to the vehicle for each complete month in the said period.

The power to make an order conferred by this subsection shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

- (3) A licence taken out on any day in April before the eighth shall be treated for the purposes of the foregoing subsection as having been current from the beginning of the month.
- (4) On the surrender after the commencement of this Act of any such licence as is mentioned in subsection (2) of this section, the rebate of duty payable under section twelve of the Vehicles (Excise) Act, 1949, shall be computed as if the rate of duty on the licence had been the appropriate rate specified by subsection (1) of this section.

12 Vehicles (excise): invalid carriages

- (1) In paragraph (g) of subsection (1) of section seven of the Vehicles (Excise) Act, 1949 (which exempts vehicles not exceeding five hundredweight in weight unladen which are adapted and used for invalids), for the words " five hundredweight" there shall be substituted the words " six hundredweight ".
- (2) This section shall come into operation on the first day of January, nineteen hundred and sixty.

13 Agricultural tractors: carriage of produce etc. at agricultural rate of duty

- (1) Subject to the provisions of this section, a vehicle falling within paragraph (a) of subsection (2) of section four of the Vehicles (Excise) Act, 1949 (which relates to ploughing engines, tractors and other agricultural engines) and not drawing a trailer shall not be chargeable with duty under section five of that Act as a goods vehicle by reason of the fact that it is constructed or adapted for use and used for the conveyance of such goods or burden as are hereinafter mentioned if they are carried in or on not more than one appliance, the appliance is fitted either to the front or to the back of the vehicle, and the following conditions are satisfied:—
- (a) the appliance must be removable ;
 - (b) the area of the horizontal plane enclosed by vertical lines passing through the outside edges of the appliance must not, when the appliance is in the position in which it is carried when the vehicle is travelling and the appliance is loaded,

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exceed seven square feet if it is carried at the front or fifteen square feet if it is carried at the back.

- (2) The goods or burden referred to in the foregoing subsection are any goods or burden the haulage of which is permissible under sub-paragraphs (i) to (v) of paragraph (a) of subsection (2) of section four of the Vehicles (Excise) Act, 1949.
- (3) Subsection (1) of this section shall not apply to the use of a vehicle on a public road more than fifteen miles from a farm in the occupation of the person in whose name the vehicle is registered under the said Act of 1949.
- (4) In relation to a vehicle fitted with an appliance of any description specified for the purposes of all or any of the following paragraphs by regulations under this section made by the Minister of Transport and Civil Aviation by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament, the following provisions shall have effect—
 - (a) the limitation in subsection (1) of this section to one appliance shall have effect as a limitation to two appliances of which at least one must be an appliance specified for the purposes of this paragraph, but if two appliances are used they must be fitted at opposite ends of the vehicle;
 - (b) regulations under this section may provide for all or any of the following matters where an appliance specified for the purposes of this paragraph is being used, that is to say, that subsection (1) of this section shall not apply unless the specified appliance is fitted to the specified end of the vehicle, or unless the use of the specified, or any, appliance is limited to specified goods or burden or to use in specified circumstances;
 - (c) regulations under this section may provide that paragraph (b) of subsection (1) of this section shall not have effect in relation to appliances specified for the purposes of this paragraph, but that in relation thereto subsection (3) of this section shall have effect with the substitution of such shorter distance as may be specified.

In paragraphs (a) to (c) of this subsection " specified " means specified by regulations under this section, and references to use are references to use for the carriage of goods or burden; and regulations under this section may make different provisions in relation to different descriptions of specified appliances.

- (5) Subsection (1) of this section shall not apply to three-wheeled vehicles, or to any vehicle such that the distance between the centre of the area of contact with the road surface of—
 - (a) a back wheel, in a case where only one appliance is being used for the carriage of goods or burden, and is fitted to the back of the vehicle,
 - (b) any wheel on one side of the vehicle, in any other case,and that of the nearest wheel on the other side is less than four feet.
- (6) This section shall come into operation on the first day of October, nineteen hundred and fifty-nine.

14 Exemption from excise duty of vehicles for clearing snow, etc.

- (1) No duty shall be chargeable under the Vehicles (Excise) Act, 1949, in respect of any mechanically propelled vehicle constructed or adapted, and used, solely for the conveyance of machinery for spreading material on roads to deal with frost, ice or

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snow or for the conveyance of such machinery and articles and material used for the purposes of the machinery.

- (2) In paragraph (a) of subsection (5) of section five of the said Act of 1949 (under which a goods vehicle is not chargeable with additional duty in respect of a trailer if the drawn vehicle does not exceed five hundredweight in weight and is constructed and used solely for spreading loose untreated gritting material) the words " not exceeding five hundredweight in weight" and the word " untreated " shall cease to have effect.
- (3) This section shall come into operation on the first day of October, nineteen hundred and fifty-nine.

PART II

PURCHASE TAX

15 Changes in rates of purchase tax

- (1) Subject to any order made by the Treasury under section twenty-one of the Finance Act, 1948, Part I of the Second Schedule to the Finance Act, 1958, shall be amended by the substitution, in the percentage rates of tax specified throughout that Schedule, of the figures 50 for 60, 25 for 30, and 12½ for 15.
- (2) This section shall have effect as from the eighth day of April, nineteen hundred and fifty-nine.

16 Relief of certain goods from purchase tax

- (1) Subject to any order of the Treasury made under section twenty-one of the Finance Act, 1948, Part I of the Second Schedule to the Finance Act, 1958, shall be amended in accordance with the two next following subsections, and the other enactments relating to purchase tax shall have effect accordingly.
- (2) In Group 18 (which relates to broadcast receivers) the following paragraph shall be added under the heading " Exempt " —
 - “(2) Television picture tubes.”
- (3) Group 28 (which consists of road vehicle chassis, mechanically propelled) shall be omitted.
- (4) This section shall have effect as from the eighth day of April, nineteen hundred and fifty-nine.

PART III

INCOME TAX

17 Charge of income tax for 1959-60

- (1) Income Tax for the year 1959-60 shall be charged at the standard rate of seven shillings and ninepence in the pound and, in the case of an individual whose total income exceeds two thousand pounds, shall be charged in respect of the excess at rates in the

pound which respectively exceed the standard rate by the amounts by which the higher rates for the year 1957-58 exceeded the standard rate for that year:

Provided that the amounts of tax deductible or repayable under section one hundred and fifty-seven (pay as you earn) of the Income Tax Act, 1952, shall until the eighth day of June, nineteen hundred and fifty-nine be the same as if the standard rate were eight shillings and sixpence in the pound (any necessary correction being made on or after that day by adjusting subsequent deductions or repayments under that section or, if need be, by an assessment).

- (2) Section four hundred and eighty-six of the Income Tax Act, 1952 (tax-free payments under pre-war provisions) shall have effect as respects payments falling to be made at any time during the year 1959-60 as if in subsection (5) (which defines " appropriate fraction " as the fraction of which the denominator is twenty-nine and the numerator is twenty-nine less one for every complete sixpence in the pound by which the standard rate for the year exceeds five shillings and sixpence) for the words " twenty-nine " in each place where they occur there were substituted the words " fifty-eight ", and as if for the words " complete sixpence " there were substituted the words " complete threepence ".

18 Surtax rates for 1958-59

Income tax for the year 1958-59 shall be charged in the case of an individual whose total income exceeded two thousand pounds, at the same higher rates in respect of the excess as were charged for the year 1957-58.

19 Alterations in reliefs

- (1) As respects the year 1959-60 and subsequent years of assessment, the Income Tax Acts shall be amended as shown in the following provisions of this section:

Provided that the amounts of tax deductible or repayable under section one hundred and fifty-seven (pay as you earn) of the Income Tax Act, 1952, before the eighth day of June, nineteen hundred and fifty-nine shall not be deemed to have been affected, but this provision shall not prevent the resulting over-deductions and under-repayments from being adjusted subsequently by means of diminished deductions or increased repayments under that section or, if need be, by an assessment.

- (2) Section two hundred and twenty of the Income Tax Act, 1952 (which provides for deductions from tax so as to produce reduced rates of tax on the first sixty pounds, the next one hundred and fifty pounds, and the next one hundred and fifty pounds of the income on which an individual bears tax after allowing for other reliefs) shall have effect as if in subsection (1) for the words " eight shillings and sixpence " in each place where they occur there were substituted the words " seven shillings and ninepence ", for the words " 6s. 3d." there were substituted the words " 6s. 0d. ", for the words " 3s. 9d." there were substituted the words " 3s. 6d. " and for the words " Is. 9d." there were substituted the words " Is. 6d. ".
- (3) In subsection (3) (old age relief) of section two hundred and eleven of the Income Tax Act, 1952, a reference to eleven-twentieths shall be substituted for the reference to three-fifths (the fraction governing the marginal relief).
- (4) In subsection (2) (relief for small incomes) of section fifteen of the Finance Act, 1952, a reference to four hundred and five pounds shall be substituted for the reference to

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four hundred pounds (the income limit for the marginal relief) and a , reference to two-fifths shall be substituted for the reference to nine-twentieths (the fraction governing the marginal relief).

- (5) In paragraph (b) of subsection (1) (relief for persons over sixty-five with small incomes) of section thirteen of the Finance Act, 1957, a reference to nine-twentieths shall be substituted for the reference to a half (the fraction governing the marginal relief).

20 Dependent relatives

Section two hundred and sixteen of the Income Tax Act, 1952, shall have effect as if the reference to the mother being widowed included—

- (a) a reference to her living apart from her husband, and
- (b) a reference to her being a single woman, in consequence of dissolution or annulment of marriage:

Provided that no person shall by virtue of this section be entitled to less relief under the Income Tax Act, 1952, than he would be entitled to if this section had not been passed.

21 Restoration of investment allowances, and additional grant of initial allowances in certain cases

- (1) Subject to the provisions of this section, subsections (2) to (5) of section sixteen of the Finance Act, 1954 (which provide for the making of investment allowances, and in the case of investment allowances under subsections (2) to (4) thereof provide that the allowances are to be in lieu of initial allowances under Part X of the Income Tax Act, 1952) shall apply to expenditure incurred after the seventh day of April, nineteen hundred and fifty-nine, and accordingly section fifteen of the Finance Act, 1956 (by which investment allowances were, with certain exceptions, suspended) shall not apply to such expenditure.
- (2) An initial allowance shall be made under Part X of the Income Tax Act, 1952, in any case where it would have fallen to be made (whether in any event, or on the election of the person entitled) apart from this section but would be excluded, but for this subsection, by any of the provisions of the said section sixteen, so however that it shall be reduced—
- (a) if for industrial buildings or structures, or for machinery or plant, by two-thirds, or
 - (b) if for the construction of mining works, by one-half;
- and accordingly the enactments mentioned in the Fourth Schedule to this Act shall have effect in relation to any such case subject to the modifications set out in that Schedule.
- (3) The proviso to subsection (4) of section sixteen of the Finance Act, 1954 (by which a person incurring expenditure on the construction of mining works may elect to receive either an investment allowance or an initial allowance) shall not apply in relation to expenditure incurred after the said seventh day of April.
- (4) Where an initial allowance falls to be made under section seventeen of the Finance Act, 1956 (dredging) in respect of expenditure incurred after the said seventh day of April.—

- (a) an investment allowance equal to one-tenth of the expenditure shall be made in addition to the initial allowance, and
 - (b) the initial allowance shall be reduced from three twentieths to one-twentieth, and any provision of the Income Tax Acts applicable to initial allowances under the said section seventeen shall apply also to investment allowances under this subsection, except that an investment allowance shall not be taken into account—
 - (i) in determining under paragraph (b) of subsection (1) of that section the period for which annual allowances are to continue to be made, or
 - (ii) in determining under subsection (2) of that section the deduction to be made from the amount of the said expenditure for the purpose of calculating an additional allowance on the permanent discontinuance of the trade.
- (5) The Fifth Schedule to this Act shall have effect for the purposes of investment allowances under the foregoing subsection.
- (6) Expenditure shall not be treated for the purposes of this section as having been incurred after the said seventh day of April by reason only of any of the following provisions of the Income Tax Act, 1952 (which relate to expenditure incurred by a person for the purposes of a trade before he begins to carry it on), that is to say—
subsection (6) of section two hundred and sixty-five,
subsection (2) of section two hundred and seventy-nine, or
subsection (1) of section three hundred and nine.

22 Investment allowance where ship purchased before taking over from builder

- (1) Subject to the provisions of this section, where after the seventh day of April, nineteen hundred and fifty-nine, a person incurs capital expenditure on the provision of a ship the expenditure shall not be prevented from being treated for investment allowance purposes as incurred on the provision of a new asset by the property in the ship or any part thereof having previously passed to a person other than the person incurring the expenditure if the ship has not been taken over from the builder by any such other person.
- (2) The foregoing subsection shall not apply if any person other than the person incurring the expenditure has become entitled to an investment allowance in respect of the ship or would have become entitled to such an allowance by virtue of this section but for the limitation contained in the foregoing subsection to expenditure incurred after the said seventh day of April:
- Provided that where such an other person has, or would have, become entitled as aforesaid as respects part only of his capital expenditure on the provision of the ship, the foregoing subsection shall apply, but the amount of expenditure in respect of which an investment allowance may be made by virtue of this section shall not exceed the amount qualifying for an investment allowance apart from any operation of the said limitation, reduced by the amount of the said part of the other person's capital expenditure.
- (3) Where rights under a contract for the provision of a ship are assigned after the ship has been begun, and either—
(a) the assignor is a body of persons over whom the assignee has control (within the meaning assigned to that expression by subsection (1) of section three

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hundred and thirty-three of the Income Tax Act, 1952), or the assignee is a body of persons over whom the assignor has such control, or both the assignor and the assignee are bodies of persons and some other person has such control over both of them, or

- (b) it appears with respect to the assignment, or with respect to transactions of which the assignment is one, that the sole or main benefit which, apart from the provisions of this subsection, might have been expected to accrue to the parties or any of them was the obtaining of an increased investment allowance, then in relation to the making of any investment allowance falling to be made by virtue of this section no part of the consideration for the assignment shall be treated as expenditure incurred on the provision of the ship, but nothing in this subsection shall affect the consideration for a sale to the assignee of so much of the ship as is in existence before the assignment.

References in paragraph (a) of this subsection to a body of persons include references to a partnership.

- (4) The Fourteenth Schedule to the Income Tax Act, 1952 (which, where there is a sale between a buyer and a seller who are associated, makes special provision as to the price at which for income tax purposes the property is to be taken to have been sold) shall not operate so as to increase the amount of any investment allowance falling to be made by virtue of this section.
- (5) Expenditure shall not be treated for the purposes of this section as having been incurred after the said seventh day of April by reason only of subsection (2) of section two hundred and seventy-nine of the Income Tax Act, 1952 (which relates to expenditure incurred by a person for the purposes of a trade before he begins to carry it on).

23 Purchase and sale of securities: application of ss. 24-26

- (1) Subject as hereinafter provided the three next following sections relate to cases of a purchase by a person (in those sections referred to as " the first buyer ") on or after the eighth day of April, nineteen hundred and fifty-nine, of any securities and their subsequent sale by him, the result of the transaction being that interest becoming payable in respect of the securities (in those sections referred to as " the interest") is receivable by the first buyer.
- (2) The said sections do not relate to cases where—
 - (a) the time elapsing between the purchase by the first buyer and his taking steps to dispose of the securities exceeded six months, or
 - (b) that time exceeded one month and it is shown to the satisfaction of the Commissioners having jurisdiction in the matter that the purchase and sale were each effected at the current market price, and that the sale was not effected in pursuance of an agreement or arrangement made before or at the time of the purchase.
- (3) The reference in the foregoing subsection to the first buyer taking steps to dispose of the securities shall be construed—
 - (a) if he sold them in the exercise of an option he had acquired, as a reference to his acquisition of the option,
 - (b) in any other case, as a reference to his selling them.
- (4) For the purposes of this and the three next following sections a sale of securities similar to, and of the like nominal amount as, securities previously bought (hereinafter

referred to as " the original securities") shall be equivalent to a sale of the original securities, and the foregoing subsection shall apply accordingly; and where the first buyer bought parcels of similar securities at different times a subsequent sale of any of the securities shall so far as may be be related to the last to be bought of the parcels, and then to the last but one, and so on:

Provided that a person shall be under no greater liability to tax by virtue of this subsection than he would have been under if instead of selling the similar securities he had sold the original securities.

- (5) Where at the time when a trade is, or is deemed to be, set up and commenced or at the time of any relevant change within the meaning of the Third Schedule to the Finance Act, 1954 (which relates to company reconstructions) any securities form part of the trading stock belonging to the trade, those securities shall be treated for the purposes of this section as having been sold at that time in the open market by the person to whom they belonged immediately before that time and as having been purchased at that time in the open market by the person thereafter engaged in carrying on the trade; and subject to the foregoing provisions of this subsection where there is a change in the persons engaged in carrying on a trade which is not a change on which the trade is deemed to be discontinued and which is not such a relevant change as aforesaid, the provisions of this section shall apply in relation to the person so engaged after the change as if anything done to or by his predecessor had been done to or by him.
- (6) For the purposes of this and the three next following sections—
 - (a) " interest " includes a dividend ;
 - (b) " person " includes any body of persons, and references to a person entitled to any exemption from income tax include, in a case of an exemption expressed to apply to income of a trust or fund, references to the persons entitled to make claims for the granting of that exemption;
 - (c) " securities " includes stocks and shares ;
 - (d) securities shall be deemed to be similar if they entitle their holders to the same rights against the same persons as to capital and interest and the same remedies for the enforcement of those rights, notwithstanding any difference in the total nominal amounts of the respective securities or in the form in which they are held or the manner in which they can be transferred, and for the purposes of this paragraph rights guaranteed by the Treasury shall be treated as rights against the Treasury.

24 Purchase and sale of securities: dealers in securities

- (1) Subject to the provisions of this section, if the first buyer is engaged in carrying on a trade which consists of or comprises dealings in securities, then in computing for any of the purposes of the Income Tax Acts the profits arising from or loss sustained in the trade the price paid by him for the securities shall be reduced by the appropriate amount in respect of the interest, as determined in accordance with the Sixth Schedule to this Act.
- (2) The foregoing subsection shall not apply if the first buyer—
 - (a) is in the opinion of the Commissioners of Inland Revenue bona fide carrying on the business of a discount house in the United Kingdom, or
 - (b) is a member of the London Stock Exchange who is recognised by the committee thereof as carrying on the business of a jobber, or

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- (c) is a member of any other stock exchange in the United Kingdom who is recognised by the committee thereof as carrying on the business of a dealer, and the securities were bought in the ordinary course of his said business and, in the case of a dealer such as is mentioned in paragraph (c) of this subsection, were securities in which he was authorised by the said committee to deal.
- (3) Subsection (1) of this section shall not apply if the purchase of the securities by the first buyer and their resale, or as the case may be the subsequent sale of similar securities, constitute a transaction which is to be left out of account in computing profits or losses by virtue of subsection (3) of section two hundred and three of the Income Tax Act, 1952 (agreements for purchase and resale of securities by dealers).
- (4) Subsection (1) of this section shall not apply if the interest is to any extent required to be brought into account under section four of the Finance (No. 2) Act, 1955, as if it were a trading receipt which had not borne tax, or would to any extent be so required to be brought into account but for the provisions of paragraph 2 of the Third Schedule to that Act (which exclude dividends at rates not unusually high payable on shares acquired during the preceding twelve months).
- (5) Subsection (1) of this section shall not apply if the securities are overseas securities bought by the first buyer on a stock exchange outside the United Kingdom in the ordinary course of his trade as a dealer in securities and the following conditions are satisfied, namely—
- (a) the interest is brought into account in computing for the purposes of the Income Tax Acts the profits arising from or loss sustained in the trade ;
 - (b) the first buyer has not claimed, and undertakes not to claim, any relief available to him in respect of the interest under section two hundred and one of the Income Tax Act, 1952 (relief from tax on dividends from overseas companies who have paid United Kingdom income tax); and
 - (c) where credit against income tax or profits tax would fall to be allowed in respect of the interest under section three hundred and forty-seven or three hundred and forty-eight of the Income Tax Act, 1952 (double taxation relief), the first buyer elects that credit shall not be so allowed.

In this subsection " overseas securities " means securities of the government of, or of a body of persons resident in, any country or territory outside the United Kingdom and the Republic of Ireland.

25 Purchase and sale of securities: persons entitled to exemptions

- (1) If the first buyer is entitled under any enactment to an exemption from income tax which, apart from this subsection, would extend to the interest, then subject to the provisions of this section the exemption shall not extend to an amount equal to the appropriate amount in respect of the interest, as determined in accordance with the Sixth Schedule to this Act:

Provided that if the first buyer is entitled as aforesaid and any annual payment is payable by him out of the interest, the annual payment shall be deemed as to the whole thereof to be paid out of profits or gains not brought into charge to tax, and section one hundred and seventy of the Income Tax Act, 1952, shall apply accordingly.

- (2) This section shall not apply where the exemption arises from the residence of the first buyer in the Republic of Ireland.

26 Purchase and sale of securities: traders other than dealers in securities

- (1) If the first buyer carries on a trade not falling within section twenty-four of this Act, then in ascertaining whether any or what repayment of tax is to be made to him under section three hundred and forty-one of the Income Tax Act, 1952, subsection (3) of section fifteen of the Finance Act, 1953, or paragraph 3 of the Third Schedule to the Finance Act, 1954, by reference to any loss sustained in the trade and the aggregate amount of his income for the year of assessment his income for which includes the interest, there shall be left out of account—
 - (a) the appropriate amount in respect of the interest, as determined in accordance with the Sixth Schedule to this Act, and
 - (b) any tax paid on that amount.
- (2) Where the first buyer is a company and carries on a trade not falling within section twenty-four of this Act or a business consisting mainly in the making of investments, then—
 - (a) the appropriate amount in respect of the interest, as determined in accordance with the Sixth Schedule to this Act, shall be left out of account in determining for the purposes of section twenty of the Finance Act, 1953 (payments between associated companies in respect of losses) whether the company has any surplus for tax purposes during any period or what is the amount of that surplus ; and
 - (b) if any annual payment payable by the company is to any extent payable out of the interest, that annual payment shall be deemed to that extent not to be payable out of profits or gains brought into charge to tax, and section one hundred and seventy of the Income Tax Act, 1952, shall apply accordingly.
- (3) In sub-paragraph (3) of paragraph 5 of the Third Schedule to the Finance (No. 2) Act, 1955, after paragraph (d) (which provides, in the case of a company not engaged in carrying on a trade falling within section twenty-four of this Act, for deducting certain amounts from income in determining whether a dividend has been paid out of accumulated profits) there shall be inserted the following:—

“and

- (e) if the company is not engaged as aforesaid, but were it so engaged any reduction under section twenty-four of the Finance Act, 1959, would, or would but for subsection (3) or (4) of that section, fall to be made as respects the price paid by the company for securities (within the meaning of that section) bought by it in a year of assessment in the period, such amount as would, after deduction of income tax at the standard rate in force in that year of assessment, be equal to the amount of the reduction, so however that where the securities are of the description specified in paragraph 4 of the Sixth Schedule to that Act the amount shall be the amount of the reduction,”

in sub-paragraph (3) of paragraph 4 of that Schedule (which provides for leaving out of account, in determining the profits of a company for a given period, tax on any amount to be deducted under paragraph (d) of sub-paragraph (3) of paragraph 5 of that Schedule) after the word " (d)" there shall be inserted the words " or (e) " , and subsection (5) of section eighteen of the Finance Act, 1958 (which, in the case of companies falling within the said paragraph (d), contains modifications of the enactments relating to dividends paid out of accumulated profits) shall apply where a company satisfies the conditions specified in the new paragraph (e) set out in this

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subsection as it applies where a company such as is mentioned in the said paragraph (d) has received such a dividend as is mentioned therein.

- (4) In this section " company " includes any body corporate.

27 Overseas Trade Corporations: avoidance of disqualification by holding companies

- (1) Where a principal company not itself carrying on trade but having a subsidiary company resident in the United Kingdom satisfies the Commissioners of Inland Revenue that for any period for which the status of the principal company falls to be determined under section thirty of the Finance Act, 1957, the principal company failed apart from this section to qualify as an Overseas Trade Corporation by reason only that, in consequence of some act done by the subsidiary company of which the principal company had no previous knowledge and from which it obtained no material advantage, the principal company was excluded by the proviso to subsection (1) of section twenty-three of that Act (holding companies excluded if having subsidiaries resident in the United Kingdom which are not Overseas Trade Corporations), then if the Commissioners of Inland Revenue in their discretion so direct the act shall not prevent the principal company being treated as an Overseas Trade Corporation for that period.
- (2) The powers conferred on the Commissioners of Inland Revenue by the foregoing subsection are in addition to, and not in derogation from, the powers conferred by subsection (2) of the said section thirty (under which the Commissioners may direct to be disregarded disqualifying acts done by the company whose status is in question and disqualifying events over which that company had no control).
- (3) This section shall be construed as one with Part IV of the Finance Act, 1957; and subsection (4) of the said section thirty (which relates to appeals) shall apply in relation to the refusal of a direction under this section as it applies in relation to the refusal of a direction under subsection (2) of the said section thirty.

28 Pension annuity business transacted in Republic of Ireland

- (1) Where an assurance company having its head office in the United Kingdom carries on business in the Republic of Ireland, and under provisions of the law of that country corresponding with section twenty-four of the Finance Act, 1956, exemption from income tax is allowable in respect of income from investments and deposits referable to pension annuity business, section four hundred and twenty-nine of the Income Tax Act, 1952 (under which income from investments of the foreign life assurance fund of an assurance company is treated for income tax purposes as if the company were not ordinarily resident in the United Kingdom) shall apply in relation to the income as if paragraph 3 of Part III of the Eighteenth Schedule to that Act (which excludes from foreign life assurance business any business transacted in the Republic of Ireland) did not have effect.
- (2) Sub-paragraph (1) of paragraph 2 of Part III of the said Eighteenth Schedule (which charges tax under Case IV or Case V of Schedule D, on profits or gains arising in the Republic of Ireland, on the full amount of the income arising in the year of assessment, whether remitted to the United Kingdom or not) shall have effect subject to the foregoing subsection.

29 Confirmation of double-taxation agreement with Republic of Ireland

- (1) The Agreement made on the fourth day of April, nineteen hundred and fifty-nine between the Governments of the United Kingdom and the Republic of Ireland relating to the Agreements set out in the Eighteenth Schedule to the Income Tax Act, 1952 (which first-mentioned Agreement is set out in the Seventh Schedule to this Act) is hereby confirmed, and, subject to the necessary steps being taken to give it the force of law in the Republic of Ireland, shall have effect accordingly.
- (2) In subsection (2) of section three hundred and forty-nine of the Income Tax Act, 1952, after the words "the second and third of the said Agreements " there shall be inserted the words " and by the Agreement set out in the Seventh Schedule to the Finance Act, 1959 "; and in paragraph 1 of Part III of the Eighteenth Schedule to the said Act of 1952 for the words " have effect", in the second place where they occur, there shall be substituted the words " are in force ".

PART IV

STAMP DUTIES

30 Stamp duty on policies of insurance

- (1) In the first Schedule to the Stamp Act, 1891, before the head of charge "Policy of Life Insurance " there shall be inserted the following—

	“£	s.	d.
Policy of Insurance other than Life Insurance	0	0	6”

and the head of charge " Policy of Sea Insurance " and the head of charge beginning " Policy of Insurance against Accident" shall be omitted.

- (2) The following shall be exempt from all stamp duties:—
 - (a) cover notes, slips and other instruments usually made in anticipation of the issue of a formal policy, not being instruments relating to life insurance;
 - (b) instruments embodying alterations of the terms or conditions of any policy of insurance other than life insurance;
 - (c) policies of insurance on baggage or personal and house hold effects only, if made or executed out of Great Britain;and an instrument exempted by virtue of paragraph (a) of this subsection shall not be taken for the purposes of the Stamp Act, 1891, to be a policy of insurance.
- (3) An instrument shall not be charged with duty exceeding sixpence by reason only that it contains or relates to two or more distinct matters each falling within the head of charge inserted by subsection (1) of this section.
- (4) In consequence of subsection (1) of this section, the Stamp Act, 1891, shall be amended as follows—
 - (a) sections ninety-two to ninety-seven (which make special provision for policies of sea insurance) shall cease to have effect;

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- (b) section one hundred (which imposes penalties in cases where there is no duly stamped policy of insurance) shall have effect as if the exceptions therein as to sea insurance were omitted;
- (c) section one hundred and sixteen (which enables composition to be made for stamp duty on accident policies) shall apply in relation to all policies of insurance other than life insurance, and the second part of the Second Schedule shall have effect accordingly;

and the said section one hundred shall not apply in relation to an insurance or a policy effecting an insurance if the insurance is such that a policy effecting it is exempt from all stamp duties.

- (5) Paragraphs (2) to (5) of section twenty-three of the Marine Insurance Act, 1906, and subsection (2) of section twenty-five thereof (which are derived from provisions contained in section ninety-three of the Stamp Act, 1891) shall cease to have effect.
- (6) Notwithstanding the repeal of section ninety-three of the Stamp Act, 1891, a contract for such insurance as is mentioned in section five hundred and six of the Merchant Shipping Act, 1894, shall continue to be admissible in evidence although not embodied in a marine policy as required by section twenty-two of the Marine Insurance Act, 1906.
- (7) This section shall apply in relation to instruments made or executed after the beginning of August, nineteen hundred and fifty-nine.

31 Upper limit of stamp duty on sales, etc., for less than five pounds

- (1) Where stamp duty is chargeable under the head of charge " Conveyance or Transfer on sale " in the First Schedule to the Stamp Act, 1891, and the amount or value of the consideration for the sale is less than five pounds, the duty shall not exceed sixpence for every twenty-five shillings or fractional part of twenty-five shillings of the consideration ; and the amount of any duty chargeable by reference to the said head of charge shall be calculated accordingly.
- (2) This section shall apply in relation to instruments made or executed after the beginning of August, nineteen hundred and fifty-nine.

32 Repeal of Corporation Duty

The duty imposed by section eleven of the Customs and Inland Revenue Act, 1885, in respect of the property of certain corporate and unincorporated bodies shall not be charged for any yearly period beginning after the fifth day of April, nineteen hundred and fifty-nine.

PART V

MISCELLANEOUS

33 Profits tax: increase of limits on deductions for directors' remuneration

- (1) Paragraph 11 of the Fourth Schedule to the Finance Act, 1937 (which, as set out in section thirty-four of the Finance Act, 1952, limits the deduction which may be made for the purposes of the profits tax in respect of the remuneration of full-time working

directors of director-controlled companies) shall have effect with the substitution for any reference to two thousand five hundred pounds of a reference to three thousand pounds, for any reference to four thousand pounds of a reference to five thousand pounds, for any reference to five thousand five hundred pounds of a reference to seven thousand pounds, for any reference to seven thousand pounds of a reference to nine thousand pounds, and for any reference to one thousand five hundred pounds of a reference to two thousand pounds.

- (2) The foregoing subsection shall apply to chargeable accounting periods ending after the beginning of April, nineteen hundred and fifty-nine:

Provided that in the case of a period beginning before that time the maximum deduction to be allowed in respect of the remuneration of directors other than whole-time service directors shall be the aggregate of the following amounts, that is to say—

- (a) the amount which would have been the maximum if this section had not had effect, reduced in the proportion which so much of the period as elapsed before that time bears to the whole ;
- (b) the amount which would have been the maximum apart from this proviso, reduced in the proportion which the remainder of the period bears to the whole.

34 Estate duty: life insurance policies

- (1) So much of section eleven of the Customs and Inland Revenue Act, 1889, as imposes duty in respect of any policy kept up by the deceased in favour of a nominee or assignee, and section seventy-six of the Finance Act, 1948 (which relates to estate duty where policies are kept up or effected under settlements), shall cease to have effect.
- (2) Where by way of gift a person pays a premium under a policy of assurance on his life in circumstances where the payment does not fall to be treated for estate duty purposes both as a gift and as one of money, and, by reason of assignment or otherwise, the payment operates to keep up the policy for the benefit of another person (hereinafter referred to as " the donee "), then for estate duty purposes the payment shall be treated as a gift to the donee of rights under the policy, and the property comprised in the gift shall be treated for those purposes as standing at the payor's death (whether or not the policy continues on foot till that time) at a value equal to the proportion of the value of the policy which the amount of the premium bears to the aggregate amount of all relevant premiums.
- (3) Where by reason of any dealing with a policy of life assurance property would under paragraph (c) of subsection (1) of section two of the Finance Act, 1894, and apart from this subsection, be deemed to have passed on the death of the assured, the property so deemed to have passed shall be treated as standing at the assured's death (whether or not the policy continues on foot till that time) at a value equal to the proportion of the value of the policy which the aggregate amount of all premiums paid under the policy before the dealing with the policy bears to the aggregate amount of all relevant premiums.
- (4) For the purposes of the two foregoing subsections the value of a policy shall be determined as follows:—
 - (a) subject to the following paragraph, the value shall be taken to be the value, as at the death, of the benefits receivable under the policy on the death or other event on which they are receivable;
 - (b) the foregoing paragraph shall not apply in relation to any payment of a premium or dealing with a policy if any dealing with the policy has

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subsequently taken place either so as to alter the beneficial interest in the rights under the policy or by way of surrender, but in such a case the value shall be ascertained by reference to the time of the subsequent dealing (or of the first, if there has been more than one), and shall be taken to be the value at that time of the consideration therefor, or if there was no consideration or (in the case of a dealing other than a surrender) its value was less than the market value of the policy at that time, that market value.

- (5) In this section "relevant premiums" means premiums paid under the policy (whoever paid them) which—
- (a) where paragraph (a) of the foregoing subsection applies, have been paid before the maturity of the policy, or
 - (b) where paragraph (b) of that subsection applies, have been paid before the time by reference to which the value of the policy falls to be ascertained.
- (6) If for the purposes of the law relating to the exemption from estate duty of gifts not exceeding a specified amount any gift falling within this section is to be valued as at the date of the gift, then—
- (a) if the gift falls within subsection (2) of this section, its value shall be taken to be the proportion of the market value of the policy at the date of the gift which the amount of the premium bears to the aggregate amount of the premium and all premiums previously paid under the policy (whoever paid them);
 - (b) if the gift falls within subsection (3) of this section, its value shall be taken to be the market value of the policy at the date of the gift.
- (7) Section thirty-eight of the Finance Act, 1957 (which relates to estate duty on gifts inter vivos where the donee ceases to have possession and enjoyment of property comprised in a gift), except subsection (11) (which provides for marginal relief in the case of gifts exceeding five hundred pounds), shall not apply to any gift falling within this section.
- (8) This section shall be construed as one with Part I of the Finance Act, 1894.
- (9) This section shall have effect in the case of a person dying after the seventh day of April, nineteen hundred and fifty-nine, except that subsection (2) of this section shall not apply in a case (not being a case where subsection (3) of this section applies) where the policy matured, or was surrendered, before the twenty-second day of that month.

35 Estate duty: amendments as to exclusion of donor, or owner of an interest, from possession or benefit

- (1) In the case of persons dying after the coming into operation of this section, any provision of the enactments relating to estate duty which imposes, in connection with a gift of property or the disposition or determination of an interest in property, a condition that property shall have been possessed or enjoyed by a person to the entire exclusion of another person or of any benefit to him by contract or otherwise shall be applied in accordance with the following provisions of this section.
- (2) In the case of property being an interest in land, or being chattels, retention or assumption by the said other person of actual occupation of the land or actual enjoyment of an incorporeal right over the land, or actual possession of the chattels, shall be disregarded if for full consideration in money or money's worth.

- (3) In the case of a gift, a benefit which the said other person obtained by virtue of any associated operations (as defined by section fifty-nine of the Finance Act, 1940) of which the gift is one shall be treated as a benefit to him by contract or otherwise.
- (4) This section shall be construed as one with Part I of the Finance Act, 1894.
- (5) In the application of this section to Scotland, for references to chattels there shall be substituted references to corporeal moveables.

36 Exchequer advances to nationalised industries and undertakings

In subsection (3) of section forty-two of the Finance Act, 1956 (which, as amended by section thirty-six of the Finance Act, 1958, limits to one thousand and seventy million pounds the total of the advances which may be made under the said section forty-two and prohibits the making of such advances after the end of August, nineteen hundred and fifty-nine) for the words " one thousand and seventy " there shall be substituted the words " one thousand six hundred and twenty " and for the words " nineteen hundred and fifty-nine " there shall be substituted the words " nineteen hundred and sixty ".

37 Short title, construction, extent and repeal

- (1) This Act may be cited as the Finance Act, 1959.
- (2) Parts I to IV of this Act shall be construed as one with the enactments mentioned in this subsection respectively, that is to say—
 - (a) Part I with the Customs and Excise Act, 1952;
 - (b) Part II with Part V of the Finance (No. 2) Act, 1940;
 - (c) Part III with the Income Tax Acts ;
 - (d) Part IV with the Stamp Act, 1891.
- (3) Any reference in this Act to any other enactment shall, except so far as the context otherwise requires, be construed as a reference to that enactment as amended or applied by or under any other enactment including this Act.
- (4) Such of the provisions of this Act as relate to matters in respect of which the Parliament of Northern Ireland has power to make laws shall not extend to Northern Ireland.
- (5) The enactments specified in the Eighth Schedule to this Act are hereby repealed to the extent mentioned in the third column of that Schedule, and, except as otherwise provided in that column, the said repeals shall have effect—
 - (a) in the case of the enactments specified in Part I of that Schedule, as from the eighth day of April, nineteen hundred and fifty-nine;
 - (b) in the case of the enactments specified in Part II thereof, in relation to instruments made or executed after the beginning of August, nineteen hundred and fifty-nine ;
 - (c) in the case of the enactments specified in Part III thereof, in relation to any yearly period beginning after the fifth day of April, nineteen hundred and fifty-nine; and
 - (d) in the case of the enactments specified in Part IV thereof, in relation to persons dying after the seventh day of April, nineteen hundred and fifty-nine.