



Finance Act 1921

1921 CHAPTER 32

PART VI

GENERAL

52 Civil Contingencies Fund

- (1) Whereas advances have been made out of the Civil Contingencies Fund to the body of persons and to the Government departments specified in the first column of the Fourth Schedule to this Act for the purpose of the several operations specified in the second column of that Schedule, and the amounts specified in the third column of the said Schedule are now outstanding in respect of those advances respectively, and it is expedient that the said amounts so outstanding should cease to be repayable to, and should not be reckoned as assets of, the said Fund:

And whereas it is expedient that the capital of the Civil Contingencies Fund should be increased permanently from three hundred thousand pounds to one million five hundred thousand pounds :

Now, therefore—

- (1) The said amounts so outstanding as aforesaid shall be written off from the assets of the said fund, and the amount to be repaid to the Exchequer under section one of the Civil Contingencies Fund Act, 1919, as amended by section sixty of the Finance Act, 1920, shall be reduced by an amount equal to the sum of the said amounts to be written off as aforesaid; and
- (2) The amount to be so repaid to the Exchequer as aforesaid shall be further reduced by the sum of one million two hundred thousand pounds.

53 Interest on certain loans not to be treated as profits for purposes of corporation profits tax

The interest receivable by any company in respect of any securities forming part of the three and one-half per cent. Conversion Loan redeemable in nineteen hundred and

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sixty-one, or in respect of the five and one-half per cent. Treasury bonds repayable on the first day of April, nineteen hundred and twenty-nine, or in respect of any securities forming part of any loan which may be issued at any time after the passing of this Act as respects which the Treasury on the issue thereof direct that this section shall apply, shall not be included in the profits of the company for the purpose of corporation profits tax under Part V. of the Finance Act, 1920, and, where the profits are profits or surplus arising from the trading with its own members of a society registered under the Industrial and Provident Societies Acts, no such corporation profits tax shall be charged.

54 Amendment of s.56(1) of 10 & 11 Geo.5 c.18

Subsection (1) of section fifty-six of the Finance Act, 1920 (which makes provision for the assessment and payment of corporation profits tax), shall have effect as though there were inserted therein after the words " and shall " the words " unless the Commissioners otherwise direct."

55 Extension of s.61 of 10 & 11 Geo.5 c.18 to corporation profits tax

Section sixty-one of the Finance Act, 1920 (which makes provision for cases where documents relating to certain taxes have been lost, destroyed, or damaged), shall apply to corporation profits tax and to documents relating to corporation profits tax as it applies to excess profits duty and to documents, relating to excess profits duty.

56 Amendment of 10 & 11 Geo.5 c.18 s.52(2)

Section fifty-two, subsection (2), paragraph (ii). of the Finance Act, 1920, shall have effect as though the following words were added, namely : " including a department of any society registered under the Industrial and Provident Societies Act, 1893, organised for providing house-building or house-purchase schemes " for its members."

57 Deduction for mortgage interest to be allowed in case of certain companies for purposes of corporation profits tax

- (1) Where not less than one-half of the gross income of any company is derived from the rents or profits of lands or tenements in the United Kingdom then, notwithstanding anything in proviso (b) to subsection (2) of section fifty-three of the Finance Act, 1920, there shall, in determining the profits of the company for the purposes of corporation profits tax, be allowed a deduction in respect of the interest on any mortgages charged on those' lands or tenements, but not including interest on any debentures charged on all the assets of the company.
- (2) This section shall be deemed to have had effect as from the commencement of the Finance Act, 1920.

58 Temporary exemption from corporation profits tax of the profits derived from public utility companies

- (1) Where a company owns a controlling interest in, and directs, or is entitled to direct, the management of any public utility company, any profits derived by that company from the public utility company at any time between the first day of January, nineteen hundred and twenty, and the thirty-first day of December, nineteen hundred and

twenty-two, shall be, and shall be deemed always to have been, excluded from the profits chargeable with corporation profits tax under Part V. of the Finance Act, 1920.

- (2) In this section the expression " public utility company" means such a company as is mentioned in paragraph (i) of the proviso to subsection (2) of section fifty-two of the Finance Act, 1920.

59 Amendment of s.39 of 10 & 11 Geo.5 c.18

Section thirty-nine of the Finance Act, 1920 (which increases the stamp duty on statements as to the capital of companies from five shillings to one pound for every one hundred pounds), shall have effect and be deemed always to have had effect as though the following subsection were inserted at the end thereof:—

- “(3) If it is proved to the satisfaction of the Commissioners of Inland Revenue, in the case of a company which was registered or otherwise incorporated, or of an increase of capital which was authorised, on or after the twentieth day of April, nineteen hundred and twenty, and before the fourth day of May, nineteen hundred and twenty, that the formation of the company or the increase of capital, as the case may be, had been definitely decided upon before the thirty-first day of January, nineteen hundred and twenty, and that the formation of the company or the authorisation of the increase was temporarily not proceeded with solely in order to comply with the request of His Majesty's Government that no public issue of capital should be made while the subscription lists for five and three-quarter per cent. Exchequer Bonds, 1925, were open, the stamp duty chargeable on the statement of the nominal share capital of the company, or of the amount of the increase so authorised, as the case may be, shall, instead of being charged at the rate imposed by this section, be charged at the rate in force before the passing of this Act.”

60 Recovery of penalty under s.44 of 54 & 55 Vict. c.39

- (1) Any fine incurred under section forty-four of the Stamp Act, 1891 (which imposes a penalty on unqualified persons preparing certain instruments), shall, instead of being recoverable in manner provided by section one hundred and twenty-one of that Act, be recoverable summarily.
- (2) Proceedings for the recovery of any such fine as aforesaid shall not be deemed to be proceedings for the recovery of a fine incurred under an Act relating to Inland Revenue, and may, notwithstanding any provision in any Act prescribing the period within which summary proceedings may be brought, be brought at any time within the period of two years next after the commission of the offence, or the period of six months next after the first discovery thereof by the prosecutor, whichever period is the shorter.

61 Rate of stamp duty under 42 & 43 Vict. c.6

- (1) The stamp duty charged on local authorities by the District Auditors Act, 1879, as amended by any other Act, in respect of the audit of their accounts by district auditors, shall, instead of being calculated according to the scale contained in the First Schedule to that Act, be calculated according to a scale to be fixed from time to time by the Treasury, after consultation with the Minister of Health and with such associations of local authorities as appear to the Minister to be concerned, and the scale so fixed

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shall be such as to secure that the duties levied under the said Act shall be sufficient to meet the costs incurred in respect of the remuneration, including superannuation allowances, and the expenses, of district auditors.

- (2) The Treasury may, on the application of any local authority and after consultation with the Minister of Health, direct that the stamp duty charged under the said Act shall, in the case of that local authority, instead of being an amount calculated according to the scale to be fixed under this section, be such an amount, not exceeding the amount chargeable under the scale, as the Treasury think fit having regard to the cost of the audit of the accounts of that authority.

62 Amendment of s.6 of 8 Edw.7 c.16

Subsection (3) of section six of the Finance Act, 1908, (which provides for the collection of duties on certain local taxation licences by county councils) shall have, and as from the first day of April, nineteen hundred and twenty-one, be deemed to have had effect as if the words " other than the duties on licences for carriages " were therein inserted after the word " applies, " and as if the words " sixty thousand pounds " were therein substituted for the words " forty thousand pounds, " and for the purpose of the distribution among county councils of the sum paid under the said subsection (3) for the year ending the thirty-first day of March, nineteen hundred and twenty-one, the duties on licences for motorcars shall be deemed to have continued throughout that year to be licences to which the said section applies.

63 Provision for cases where documents relating to death duties have been lost, destroyed, or damaged

- (1) Where any document in the custody of the Commissioners relating to duty charged or chargeable in respect of any property has been lost or destroyed, or has been so defaced or damaged as to be illegible or otherwise useless, the Commissioners may require any person appearing to them to be accountable or to have accounted for that duty, to furnish to them to the best of his ability such information, particulars and evidence, including evidence by affidavit, as they may require for replacing that document, and any person so appearing to be accountable shall be liable to discharge all claims in respect of that duty, unless he proves to the satisfaction of the Commissioners that those claims have already been discharged or that he is not accountable for the duty.
- (2) The Commissioners shall have all such powers for the purpose of enforcing any requirement made by them under this section as they had for the purpose of enforcing the delivery of the document which is to be replaced, and all statutory provisions in that behalf, including provisions as to penalties, shall apply accordingly with the necessary modifications.
- (3) The Commissioners shall pay to any person complying with any requirement under this section his reasonable cost of so doing, and, if any question arises as to the amount so to be paid as costs, the question shall be referred to and determined by a taxing master of the High Court, or in Scotland by the auditor of the Court of Session.
- (4) Where the Commissioners are required by any person to issue any document certifying that any duty has been paid or is not payable, or to make any allowance in respect of any duty paid, or to do any act or thing consequent on the payment of duty, they may, where the evidence of the payment of or of non-liability to duty has been destroyed, refuse, notwithstanding any enactment to the contrary, to comply with the requirement except on proof to their satisfaction that the duty has been paid or is not payable, or

that the act or thing required to be done is in the circumstances reasonably necessary, as the case may be.

- (5) Where the Commissioners declare that by reason of the loss, destruction, defacement, or damage of any document they are unable to certify that there is no claim for duty in respect of any property, a court may, in any proceedings relating to that property, notwithstanding any enactment to the contrary, dispose of that property or the proceeds of sale thereof without making provision for the payment of any duty chargeable in respect thereof;

Provided that nothing in the foregoing provision shall affect any right of the Commissioners as against any person accountable for any duty so chargeable, not being a purchaser for value without notice that there is a claim for duty in respect thereof.

- (6) In this section, unless the context otherwise requires—

The expression " document " includes affidavit, account, and record;

The expression " Commissioners " means the Commissioners of Inland Revenue;

The expression " duty " means any death duty.

64 Amendment of law as to redemption of land tax

- (1) The capital sum to be paid under section thirty-two of the Finance Act, 1896, by the owner of any land to the Commissioners of Inland Revenue for the purpose of the redemption of land tax charged on that land shall be a sum equal to twenty-five times, instead of thirty times, the sum assessed on that land, and the rate per annum of the interest to be paid under the said section on unpaid instalments of the capital sum shall be four per cent. instead of three per cent.:

Provided that nothing in this section shall affect the terms of any contract for the redemption of land tax entered into under the said section before the commencement of this Act.

- (2) In subsection (3) of the said section the words " one twenty-fifth part of such surplus " shall be substituted for " one-thirtieth part of such surplus. "

65 Construction, short title, and repeal

- (1) Part I. of this Act, so far as it relates to duties of Customs, shall be construed together with the Customs (Consolidation) Act, 1876, and any enactments amending that Act, and, so far as it relates to duties of Excise, shall be construed together with the Acts which relate to the duties of Excise and the management of those duties.

Part II. of this Act shall be construed together with the Income Tax Acts.

Part III. of this Act shall be construed together with Part III. of the Finance (No. 2) Act, 1915.

Part IV. of this Act shall be construed together with the Finance Act, 1894.

- (2) This Act may be cited as the Finance Act, 1921.
- (3) The enactments set out in the Fifth Schedule to this Act are hereby repealed to the extent mentioned in the third column of that schedule.