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SCHEDULES.

SECOND SCHEDULE

RELIEF FROM EXCESS PROFITS DUTY IN RESPECT OF TRADING STOCKS

PART IV

- 1 The profits of a trade or business for any period, and the pre-war standard of profits, whether a percentage standard or a pre-war standard of profits based on the statutory percentage on the average amount of capital employed in the trade or business during the first accounting period, shall, for the purposes of this Schedule, be computed on the basis prescribed by Part III. of the principal Act, as if such first-mentioned period were an accounting period, and, where the period for which the profits of a trade or business fall to be ascertained is a period less than a year, the amount of the pre-war standard of profits shall be proportionately reduced :

Provided that, where any period which would, if the section of this Act providing for the termination of excess profits duty had not passed, have been an accounting period of any trade or business within the meaning of the principal Act commences before and ends after the termination of the final accounting period of that trade or business, the profits of the first-mentioned period shall be computed on the basis prescribed by Part III. of the principal Act as if that period were an accounting period, and shall be apportioned between the time ending on and the time subsequent to the date of the termination of the final accounting period in proportion to the number of months or fractions of months before and after that date respectively.

- 2 The Commissioners of Inland Revenue shall have the same power to require for the purposes of a claim under this Schedule the furnishing of returns of profits and other particulars as they have under Part III. of the principal Act, as if the period for which the returns and particulars are required were an accounting period.
- 3 (1) Every person making a claim under this Schedule in relation to any trade or business shall, in support of the claim, and on being so required by the Commissioners of Inland Revenue by notice in writing, furnish to the Commissioners returns in writing containing such particulars with respect to the trading stock of the trade or business in hand at any material date, including particulars with respect to the cost price, sale price, or value of the stock at any material date, and with respect to any other matters relevant to the claim, as the Commissioners may require.
- (2) Every return furnished in pursuance of this paragraph shall be signed by the person making the claim, or where the claim is made by a firm or by a company by one of the partners in the firm or by the secretary or some other responsible officer of the company, as the case may be, and shall, if the Commissioners so require, be certified by some person being a member of an incorporated society of accountants, and shall be verified by the production of such evidence and otherwise as the Commissioners may direct.

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- 4 The provisions of the second paragraph of subsection (2) of section forty-four of the principal Act (which impose a penalty on persons failing to comply with any requirements of the Commissioners under that section) shall apply to any requirements of the Commissioners under paragraphs 2 and 3 of this Part of this Schedule as they apply to requirements under that section.
- 5 Nothing in this Schedule shall derogate from the power of the Commissioners of Inland Revenue to make assessments and collect duty for any accounting period without reference to any notice which may be given that the owner of the trade or business intends to claim relief under any part of this Schedule.
- 6 Relief under this Schedule shall be given by way of repayment to the person who is at the end of the final accounting period the owner of the trade or business, except in cases where it can be set off against any duty which has been assessed on him for any accounting period and remains unpaid.
- 7 Any repayment under this Schedule shall, for purposes of income tax, be treated as a repayment of duty, and any set-off under this Schedule shall, for those purposes, be treated as a repayment of duty made at the date when the amount of the set-off is ascertained.
- 8 Relief granted under this Schedule shall not be taken into account for purposes of the section of this Act relating to the adjustment of duty over the aggregate period of charge.
- 9 Subsection (5) of section forty-five of the principal Act shall apply to a determination of the Commissioners of Inland Revenue under this Schedule as it applies to the amount of an assessment of duty.
- 10 For the purposes of this Schedule, a trade or business shall not be deemed to have changed ownership unless the Commissioners of Inland Revenue are satisfied that the change was made bona fide and was not an artificial or fictitious transaction.
- 11 In this Schedule the expression "duty " means excess profits duty.