



# Finance Act 1947

## 1947 CHAPTER 35

### PART I

#### CUSTOMS AND EXCISE.

#### **1 Hydrocarbon oils.**

- (1) The rate of any rebate allowed under section two of the Finance Act, 1928, on the delivery for home consumption of any fuel oils or any gas oils or any kerosene shall be increased from eightpence per gallon to ninepence per gallon.
- (2) The duty chargeable by virtue of subsection (2) of section eight of the Finance (No. 2) Act, 1945, on hydrocarbon oils used in a refinery for generating heat, light, or power, or for producing gas, shall cease to be chargeable.
- (3) Subsection (4) of the said section eight (which provides for payment to be made in respect of indigenous oils used in certain refineries) shall apply where indigenous hydrocarbon oils are used in such a refinery as is mentioned in that subsection for the purposes of—
  - (a) generating heat, light or power for consumption outside the refinery ; or
  - (b) producing gas for use in generating heat, light or power for consumption outside the refinery,as it applies where indigenous hydrocarbon oils are used in such a refinery as aforesaid for other purposes.

- (4) For the purposes of this section—

the expression " fuel oils " means hydrocarbon oils which contain in solution an amount of hard asphalt of not less than one half of one per cent. ;

the expression " gas oils " means hydrocarbon oils of which not more than fifty per cent. by volume distils at a temperature not exceeding 240 degrees centigrade, and of which more than fifty per cent. by volume distils at a temperature not exceeding 340 degrees centigrade;

the expression " kerosene " means hydrocarbon oils which are not light oils as defined in subsection (3) of section two of the Finance Act, 1928,

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and of which more than fifty per cent. by volume distils at a temperature not exceeding 240 degrees centigrade ;

the method of testing oils for the purpose of ascertaining whether they comply with the preceding provisions defining fuel oils, gas oils and kerosene shall be such as the Commissioners may direct ; and

the expression " hydrocarbon oils " has the meaning assigned to it by subsection (9) of section two of the Finance Act, 1928.

(5) This section shall—

- (a) except as to subsection (1) thereof so far as it relates to kerosene, be deemed too have had effect as from six o'clock in the evening on the fifteenth day of April, nineteen hundred and forty-seven ; and
- (b) as to subsection (1) thereof so far as it relates to kerosene, come into operation at six o'clock in the evening on the thirty-first day of August, nineteen hundred and forty-seven.

## **2 Discontinuance of charge of duty on removal of oils to a refinery.**

- (1) Any requirement made by the Commissioners under subsection (3) of section eight of the Finance (No. 2) Act, 1945, or deemed for the purposes of that section to be so made, that customs duty shall be charged on the removal of hydrocarbon oils to a refinery instead of on their delivery therefrom shall cease to be in force on the first day of September, nineteen hundred and forty-seven, and no such requirement as aforesaid shall be made under the said subsection (3) after that date.
- (2) Where it is shown to the satisfaction of the Commissioners that any oils were by virtue of the said subsection (3) charged with duty on their removal to a refinery, no duty shall be charged on their delivery for home consumption from the refinery on or after the said date, other than any amount payable under proviso (a) to the said subsection (3) by reason of the conversion of the oils in the refinery into light oils, and any duty paid thereon, less any rebate allowed, shall be repaid on their removal to another refinery on or after that date.

## **3 Tobacco.**

- (1) In lieu of the duties of customs charged on tobacco under subsection (1) of section five of the Finance Act, 1943, there shall be charged on tobacco imported into the United Kingdom of the descriptions set out in the first column of Part I of the First Schedule to this Act—
  - (a) in the case of tobacco not being an Empire product, duties of customs at the rates respectively specified in the second column of that Part of that Schedule ; and
  - (b) in the case of tobacco being an Empire product, duties of customs at the rates respectively specified in the third column of that Part of that Schedule.
- (2) In lieu of the duties of excise charged on tobacco under subsection (2) of the said section five, there shall be charged on tobacco grown in the United Kingdom of the descriptions set out in the first column of Part II of the First Schedule to this Act duties of excise at the rates respectively specified in the second column of that Part of that Schedule.

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- (3) The drawback allowed under section one of the Manufactured Tobacco Act, 1863, on tobacco exported from the United Kingdom or deposited in a bonded or King's warehouse shall—
- (a) in cases where it is shown that the duties charged under subsection (1) of this section have been paid, be allowed—
    - (i) in respect of tobacco on which full customs duty has been paid, at the rates specified in the second column of Part III of the First Schedule to this Act; and
    - (ii) in respect of tobacco on which customs duty at a preferential rate has been paid, at the rates specified in the third column of that Part of that Schedule ; and
  - (b) in cases where it is shown that the duties charged under subsection (2) of this section have been paid, be allowed at the rates specified in the third column of that Part of that Schedule,  
instead of at the rates specified in Part III of the Fourth Schedule to the Finance Act, 1943, but subject, in either of those cases, to the provisions affecting allowance of drawback contained in the Schedule to the Finance Act, 1904.
- (4) For the purposes of subsections (2) and (3) of section eight of the Finance Act, 1919 (which relate to articles manufactured in the British Empire from material which is not wholly grown or produced in the Empire and to goods manufactured in the United Kingdom from dutiable material shown to have been consigned from and grown or produced in the British Empire) the rates of the duties of customs imposed by this section in the case of tobacco being an Empire product shall be deemed to be preferential rates within the meaning of that section.
- (5) In this section the expression " Empire product " has the same meaning as it has for the purposes of the said section eight.
- (6) This section shall be deemed to have had effect as from the sixteenth day of April, nineteen hundred and forty-seven.

#### **4 Relief for pensioners in respect of increase in tobacco duty.**

- (1) The Treasury may by regulations provide—
- (a) for mitigating, in the case of pensioners satisfying the conditions of the regulations (whether as to age, class of pension or otherwise), the effect of the increase in the retail price of tobacco occasioned by the duties imposed by this Act ;
  - (b) for making up, out of sums received by the Commissioners of Customs and Excise on account of customs duties, the deficiency in the price received by persons supplying pensioners with tobacco in pursuance of the regulations.
- (2) Regulations under this section may contain incidental and supplementary provisions and may in particular provide—
- (a) for preventing abuses of the provisions thereby made or of documents or tokens issued for the purposes thereof ;
  - (b) for the issue of tokens through the Post Office, and for applying, with the necessary adaptations, as respects tokens all or any of the provisions (including penal provisions) of the Stamp Duties Management Act, 1891, section nine of the Stamp Act, 1891, and section sixty-five of the Post Office Act, 1908 ;

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- (c) without prejudice to the last preceding paragraph, for the imposition of penalties (including customs penalties) in respect of any contravention of or failure to comply with the regulations, so, however, that no person shall by virtue of this paragraph be punishable otherwise than on summary conviction or be liable for any offence to imprisonment for a term exceeding three months or to a fine exceeding one hundred pounds.
- (3) Stamp duty shall not be chargeable on any receipt given to the Commissioners of Customs and Excise for money paid by virtue of paragraph (b) of subsection (1) of this section.
- (4) All regulations under this section shall be laid before the Commons House of Parliament immediately after they are made and if that House within the period of forty days beginning with the day on which any such regulations are laid before it resolves that the regulations be annulled they shall thereupon become void, without prejudice, however, to the validity of anything previously done thereunder or to the making of new regulations.
- In reckoning any such period, of forty days as aforesaid no account shall be taken of any time during which Parliament is dissolved or prorogued or during which that House is adjourned for more than four days.
- (5) Notwithstanding anything in subsection (4) of section one of the Rules Publication Act, 1893, regulations made under this section shall not be deemed to be statutory rules to which that section applies.
- (6) In this section the expression " pensioner " means a person to whom a pension has been awarded under the Old Age Pensions Act, 1936, the Widows', Orphans' and Old Age Contributory Pensions Act, 1936, the National Insurance Act, 1946, or any corresponding enactment for the time being in force in Northern Ireland, and the reference to the Stamp Duties Management Act, 1891, includes a reference to those portions thereof repealed (save as to Scotland) by the Forgery Act, 1913.
- (7) If any Act increasing the duties of customs on tobacco imported into the Isle of Man makes provision similar to the provision made by this section, regulations under this section may give effect to any arrangements made between the Treasury and the appropriate authority in the Isle of Man for co-ordinating any systems of relief established respectively under this section and under the said Act so as to secure that they operate, to such extent as may be provided by the arrangements, as a single system.
- (8) In the application of this section to Northern Ireland, any reference in paragraph (b) of subsection (2) thereof to any Act shall, so far as that Act continues in force in Northern Ireland, be taken as referring to it as it applies there.

## **5 Repeal and reduction of certain artificial silk duties and allowances.**

- (1) The duties of excise chargeable under section five of the Finance Act, 1925, on artificial silk singles yarn or straw and on a licence to be taken out annually by a manufacturer of artificial silk yarn shall cease to be chargeable, and no such licence shall be required to be taken out under that section.
- (2) Section four of, and Part I of the Second Schedule to, the Finance Act, 1925, shall have effect as if for the rates of duties of customs in respect of artificial silk yarn and

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tissues set out in the said Part I there were substituted the rates set out in Part I of the Second Schedule to this Act.

- (3) The Silk Duties (No. 1) Order, 1934, shall have effect subject to the amendments of Part II of the First Schedule to that Order set out in Part II of the Second Schedule to this Act (being amendments reducing the rates of duties of customs on certain articles made wholly or partly of artificial silk).
- (4) Nothing in the preceding provisions of this section shall affect any drawback allowable in respect of goods made wholly or in part of artificial silk where it is shown to the satisfaction of the Commissioners that the duty on the goods or their components became chargeable before the commencement of this section.
- (5) For the purposes of section nine of the Finance Act, 1933, the reductions in the rates of duties of customs effected by subsections (2) and (3) of this section shall be treated as having been effected by an order made by the Treasury under that section, and accordingly any subsequent order so made varying or repealing any of those duties may make any consequential amendment or repeal of the provisions of the said subsections or of Part I or Part II of the Second Schedule to this Act.
- (6) Section eleven of the Finance Act, 1946 (which provides for an allowance in respect of artificial silk on which a duty of customs or excise has been paid used in the manufacture of tyres) shall not apply as respects any artificial silk on which a duty of customs becomes chargeable after the commencement of this section.
- (7) The enactments set out in Part III of the Second Schedule to this Act shall be repealed to the extent specified in the third column of that Part of that Schedule :  
  
Provided that any regulations made under subsection (3) of section five of the Finance Act, 1925, which are in force at the commencement of this section shall, so far as they relate to any duty or drawback, continue in force, notwithstanding the repeal of the said subsection (3), until revoked by the Commissioners.
- (8) This section shall be deemed to have had effect as from the first day of May, nineteen hundred and forty-seven.

## **6 Duty free use of sugar, etc..**

- (1) The Commissioners may, if they think fit, and subject to such conditions for the protection of the revenue, including the giving of security, as they may prescribe, authorise any person carrying on any art or manufacture, other than the production of food or drink for human consumption, to receive sugar, molasses or glucose without payment of duty or, on the receipt by that person of sugar, molasses or glucose on which duty has been paid, pay to him the like drawback as would be payable on the exportation of that sugar, molasses or glucose, as the case may be.
- (2) For the purposes of any enactment relating to drawback any sugar, molasses or glucose, in respect of which a drawback has been paid under this section shall thereafter be treated as sugar, molasses or glucose, as the case may be, on which duty has not been paid.

## **7 Imported films.**

- (1) The powers of the Treasury, by virtue of paragraph 12 of the Third Schedule to the Finance Act, 1939, by order to vary certain provisions of that Schedule (which relates

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to the customs duties on imported cinematograph film) shall, in relation to exposed cinematograph film, include power to alter or add to section ten of the Finance Act, 1935 (which relates to the valuation for duty of imported goods), as if that section were among the provisions mentioned in sub-paragraph (2) of the said paragraph 12.

- (2) Without prejudice to the generality of the foregoing subsection, an order made by virtue thereof may in particular provide—
- (a) that for the purpose of computing the price which any imported film would fetch on a sale in the open market there shall be made (in addition to the assumptions required to be made by the said section ten) assumptions with respect to—
    - (i) the inclusion in the sale of exclusive rights of reproduction and exhibition, and the accrual to the buyer of the gross proceeds of any resale or letting of the film or any reproduction thereof for exhibition;
    - (ii) the proportion of the said gross proceeds with which the buyer will be content in respect of all or any of his costs, charges and expenses and of his profit;
    - (iii) the exclusion of the seller and other persons from any interest, direct or indirect, in the subsequent reproduction or exhibition of the film ;
  - (b) that the value of any imported film shall, in such cases as may be provided by the order, be determined by reference to a supposed sale not of that film but of any version prepared or to be prepared for exhibition wholly or partly from that film or a duplicate thereof.
- (3) Any order of the Treasury made by virtue of the said paragraph 12 may also contain incidental or supplementary provisions for the purpose of securing the collection and recovery of the customs duty on exposed cinematograph film, including provisions—
- (a) that an application for the registration of a film under Part III of the Cinematograph Films Act, 1938, shall not be entertained unless accompanied by such evidence as the order may require for the purpose aforesaid ;
  - (b) that where, with intent to evade the payment of customs duty on exposed cinematograph film, any film not registered under the said Part III is delivered to an exhibitor or exhibited in contravention of section twenty-two of that Act, any of the enactments relating to customs shall apply with such adaptations as may be provided by the order.
- (4) In this section the expressions " exposed cinematograph film " and " duplicate " have the same meanings as in the Third Schedule to the Finance Act, 1939.

## **8 Reduction of duty and other relief in respect of certain mechanically propelled vehicles.**

- (1) Section thirteen of the Finance Act, 1920 (which imposes duties of excise in respect of mechanically propelled vehicles) shall have effect as if in paragraph , 1 of the Second Schedule to that Act—
- (i) for the word " Cycles," where it first occurs there were substituted the word " Vehicles ";
  - (ii) after sub-paragraph (c) there were inserted the following sub-paragraph :—

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		“£		s		d.
(d) Vehicles other than mowing machines, being vehicles with more than three wheels - neither constructed nor adapted for use nor used for the carriage of a driver or a passenger	3		0		0”;	

and

(iii) at the end thereof there were added the following words :—

“Vehicles chargeable with duty under this paragraph shall not be chargeable with duty under paragraph 5 of this Schedule.”

(2) The said section thirteen shall have effect as if in paragraph 4 of the said Second Schedule after sub-paragraph (b) there were inserted the following sub-paragraph :—

		“s.		d.
(bb) Vehicles designed and constructed as mobile cranes which are used on roads only either as cranes in connection with work being carried ' on on a site in the immediate vicinity or for the purpose of proceeding to and from a place where they are to be used as cranes and when so proceeding neither carry nor haul any load other than such as is necessary for their propulsion or equipment	5		0”;	

and at the end of the said paragraph 4 there were added the following words :—

“Vehicles chargeable with duty under sub-paragraph (bb) of this paragraph shall not be chargeable with duty under paragraph 5 of this Schedule.”

(3) The vehicles referred to in the said sub-paragraph (bb) shall be excluded from the provisions of section two of the Finance Act, 1935, withdrawing the rebate on heavy oils used as fuel for mechanically propelled vehicles, and accordingly in paragraph (d) of subsection (7) of that section for the words " sub-paragraphs (a), (b)," there shall be substituted the words " sub-paragraphs (a), (b), (bb), ".

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- (4) Subsection (1) of this section shall be deemed to have come into operation on the first day of January, nineteen hundred and forty-seven, and subsections (2) and (3) thereof shall come into operation on the first day of January, nineteen hundred and forty-eight.

**9 Rate of excise duty on motor-cars (other than electrically propelled).**

- (1) The rate of the duty of excise chargeable under section thirteen of the Finance Act, 1920, in respect of a mechanically propelled vehicle of a description specified in paragraph 6 of the Second Schedule to that Act, being a vehicle registered under the Roads Act, 1920, for the first time on or after the first day of January, nineteen hundred and forty-seven, and not being an electrically propelled vehicle, shall be ten pounds.
- (2) In accordance with the preceding subsection the said section thirteen shall have effect as if the following paragraph were substituted for the said paragraph 6, that is to say—

<i>“Description of Vehicle.</i>	<i>Rate of Duty</i>		
	<i>£</i>	<i>s</i>	<i>d.</i>
"6. Any vehicles other than those charged with duty under the foregoing provisions of this Schedule—			
(a) Electrically propelled vehicles ...	7	10	0
(b) Other vehicles—			
(i) If registered under the Roads Act, 1920, for the first time before the first day of January nineteen hundred and forty-seven—			
Not exceeding 6 horse-power	7	10	0
Exceeding 6 horse-power—			
For each unit or part of a unit of horse-power	1	5	0
(ii) If so registered on or after that day	10	0	0.”

- (3) This section shall come into operation on the first day of January, nineteen hundred and forty-eight.