



# Finance Act 1948

## 1948 CHAPTER 49

### PART I

#### CUSTOMS AND EXCISE.

#### **1 Tobacco.**

- (1) Section three of the Finance Act, 1947 (which imposes duties of customs and excise on tobacco) shall have effect as if Parts I and II of the First Schedule to this Act were respectively substituted for Parts I and II of the First Schedule to that Act.
- (2) In the case of tobacco in respect of which it is shown to the satisfaction of the Commissioners that the increased duty chargeable by virtue of the preceding subsection has been paid, the provisions of the said section three relating to drawback shall have effect as if Part III of the First Schedule to this Act were substituted for Part III of the First Schedule to that Act.
- (3) The preceding provisions of this section shall be deemed to have had effect as from the seventh day of April, nineteen hundred and forty-eight.
- (4) Subject to the provisions of subsection (5) of this section, there shall be charged on all stocks of leaf tobacco and of manufactured tobacco of any description which at five o'clock in the afternoon on the sixth day of April, nineteen hundred and forty-eight, were in the ownership or possession of a licensed manufacturer of tobacco and in any place in the United Kingdom other than a bonded warehouse, a duty of excise, payable by the manufacturer; at the following rate, that is to say—
  - (a) so far as the stocks consisted of leaf tobacco, three shillings and fourpence for every pound weight of the stocks ;
  - (b) so far as the stocks consisted of manufactured tobacco of any description, three shillings and fourpence for every pound weight of leaf tobacco from which, in the opinion of the Commissioners, the stocks were derived.
- (5) Duty shall not be chargeable under the last preceding subsection—

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- (a) on any tobacco as to which it is shown to the satisfaction of the Commissioners that, before the passing of this Act, it has been exported or shipped for use as stores or deposited in the King's Warehouse or a bonded warehouse ; or
- (b) on any manufactured tobacco (including cigarettes, cigars and snuff other than offal snuff) as to which it is shown to the satisfaction of the Commissioners that it was at five o'clock in the afternoon on the said sixth day of April fully prepared for sale by retail and that either—
  - (i) it was not the product of any operation carried out by any manufacturer in whose ownership or possession it was at that time ; or
  - (ii) it was at that time held as retail stock in premises used for selling tobacco by retail; or
  - (iii) it was at that time in transit from seller to buyer under a contract of sale :

Provided that no tobacco shall be deemed for the purposes of paragraph (b) of this subsection to have been fully prepared for sale by retail if, according to the ordinary course of business of the person in whose ownership or possession it was or to whom it was in transit, it had still to be subjected to some further process (other than packing) before being sold by him.

- (6) In the case of tobacco in respect of which it is shown to the satisfaction of the Commissioners that there have been paid the duty of customs at the rates in force immediately before the said seventh day of April and also the duty of excise provided for by subsection (4) of this section, drawback shall be allowable as if duty had been paid at the increased rates provided for by subsection (1) of this section, so, however, that the tobacco shall be treated as tobacco on which customs duty at the full rate has been paid unless the duty of customs which was paid thereon was paid at a preferential rate.
- (7) Section four of the Finance Act, 1947 (which provides for relief for pensioners) shall have effect as if the reference in paragraph (a), of subsection (1) thereof to the increase in the retail price of tobacco occasioned by the duties imposed by that Act included a reference to the effect of the further increase in the retail price of tobacco occasioned by the provisions of this section.

## 2 **Beer.**

- (1) Section one of the Finance (No. 2) Act, 1939 (which imposes duties of excise and customs in respect of beer) shall have effect as if Parts I, III and IV of the Second Schedule to this Act were respectively substituted for Parts I, III and IV of the First Schedule to that Act.
- (2) In the case of beer in respect of which it is shown to the satisfaction of the Commissioners that the increased duty chargeable by virtue of this section has been paid, the provisions of the said section one relating to drawback shall have effect as if Parts II, V and VI of the Second Schedule to this Act were respectively substituted for Parts II, V and VI of the First Schedule to the Finance (No. 2) Act, 1939.
- (3) This section shall be deemed to have had effect as from the seventh day of April, nineteen hundred and forty-eight.

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### **3 Spirits.**

- (1) The duties of customs charged on spirits under subsection (1) of section three of the Finance Act, 1920, in addition to the duties specified in Part II of the First Schedule to that Act, shall be charged at the rates specified in the Third Schedule to this Act; and accordingly the said subsection (1) shall have effect as if the said Schedule to this Act were substituted for Part I of the First Schedule to that Act.
- (2) The rate of the duty of excise charged on spirits under subsection (2) of section three of the Finance Act, 1920, in addition to the duties specified in Part III of the First Schedule to that Act, shall be increased to ten pounds ten shillings and tenpence per gallon computed at proof; and accordingly the said subsection (2) shall have effect as if for the words " nine pounds ten shillings and ten pence " there were substituted the words " ten pounds ten shillings and tenpence ".
- (3) This section shall be deemed to have had effect as from the seventh day of April, nineteen hundred and forty-eight.

### **4 Wines.**

- (1) Section three of the Finance (No. 2) Act, 1939 (which imposes duties of customs on wines) shall have effect as if Parts I and II of the Fourth Schedule to this Act were respectively substituted for Parts I and II of the Third Schedule to that Act.
- (2) Subsection (1) of this section shall be deemed to have had effect as from the seventh day of April, nineteen hundred and forty-eight.
- (3) So much of section ninety-five of the Customs Consolidation Act, 1876, as relates to the mixing of spirits with wines in a warehouse, and so much of section seventy of the Spirits Act, 1880, as relates to the use of spirits for fortifying wines in a warehouse, shall apply to British flavoured or compounded spirits as they apply to other spirits.

### **5 Sweets.**

- (1) The duty of excise on sweets charged under section six of the Finance Act, 1927, shall be charged at the rates specified in the Fifth Schedule to this Act instead of at the rates specified in the Fourth Schedule to the Finance (No. 2) Act, 1947.  

This subsection shall be deemed to have had effect as from the seventh day of April, nineteen hundred and forty-eight.
- (2) The Commissioners may, subject to such conditions as they may require, permit the mixing in an approved warehouse of duty-free spirits with sweets in a proportion not exceeding ten gallons of proof spirits to the hundred gallons of sweets, so, however, that the mixture shall not thereby be raised to a greater degree of strength than thirty-two per cent. of such proof spirit.
- (3) Sweets delivered for home consumption from a warehouse in which they have been fortified by virtue of the last foregoing subsection shall be deemed, for the purposes of the said duty of excise on sweets, to have been sent out from the premises of the maker of sweets at the time of the delivery.

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## **6 Security and pre-entry.**

The Commissioners may, in relation to any goods, relax as they may think fit any provision contained in the Customs Consolidation Act, 1876, or in any enactment amending that Act, with respect to the giving of security or entry before shipment.

## **7 Imperial preference for sugar, etc.**

Subsection (1) of section seven of the Finance Act, 1926 (which, as amended by section four of the Finance Act, 1946, provides, among other things, for the stabilisation of rates of imperial preference in the case of duties of customs charged on sugar, molasses, glucose and saccharin during a period ending with the month of August, nineteen hundred and forty-eight) shall, in so far as it relates to the said duties, have effect as if the said period were extended so as to expire at the end of August, nineteen hundred and fifty-two.

## **8 Key industry duty.**

- (1) Part I of the Safeguarding of Industries Act, 1921 (which, as extended by section one of the Finance Act, 1946, is limited to expire on the nineteenth day of August, nineteen hundred and forty-eight) shall continue in force for a further period of three years from that date.
- (2) Where, having regard to the terms for the time being in force of the Agreement on Tariffs and Trade concluded at Geneva in the year nineteen hundred and forty-seven or of any other agreement regarding commercial relations which may be entered into between His Majesty's Government in the United Kingdom and the Government of any other country, it appears to the Treasury, on the recommendation of the Board of Trade, to be expedient so to do, the Treasury may by order direct, in relation to any class or description of goods specified in the order, that any duties chargeable on those goods under the Safeguarding of Industries Act, 1921 (including any additional duties so chargeable by virtue of subsection (4) of section five of the Finance Act, 1936) shall be charged at such reduced rate as may be so specified or shall cease to be charged.
- (3) An order under this section shall be made by statutory instrument and section nineteen of the Import Duties Act, 1932 (which, among other things, makes provision as to the laying of Treasury orders relating to duties of customs before the Commons House of Parliament) shall apply to an order under this section as if it were an order made by the Treasury under that Act.

## **9 Provisions consequential on Geneva agreement.**

- (1) Where, having regard to the terms for the time being in force of the said Agreement on Tariffs and Trade concluded at Geneva in the year nineteen hundred and forty-seven, it appears to the Treasury, on the recommendation of the Board of Trade, to be expedient so to do, the Treasury may exercise the powers conferred by the following provisions of this section.
- (2) The Treasury shall have power by order to vary the rates of duties of customs chargeable under section nine of the Finance Act, 1933, on articles of apparel made wholly or partly of silk or artificial silk which are Empire products within the meaning of subsection (1) of section eight of the Finance Act, 1919.

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Any order under this subsection shall have effect notwithstanding anything in subsection (5) of the said section nine (which provides that the preferential rates of duty on articles of silk or artificial silk shall be five-sixths of the full rates) and notwithstanding anything in subsection (3) of section three of the Finance Act, 1937 (which provides for a further reduction in the preferential rate for silk stockings or socks).

- (3) The Treasury shall have power by order to vary the rates of duties of customs chargeable under Part I of the Import Duties Act, 1932, on Empire goods, within the meaning of section six of the Finance Act, 1938, of the following descriptions, that is to say, agricultural tractors (not being track-laying tractors), motor bicycles and motor

Any order under this subsection shall have effect notwithstanding any provision contained in or made under the said section six (which provides for a preferential rate of duty of two-thirds of the full rate on the said goods).

- (4) An order under this section shall be made by statutory instrument and section nineteen of the Import Duties Act, 1932 (which, among other things, makes provision as to the laying of Treasury orders relating to duties of customs before the Commons House of Parliament) shall apply to an order under this section as if it were an order made by the Treasury under that Act.

## **10 Ottawa duties on patent leather and rice.**

- (1) The proviso to subsection (2) of section six of the Finance Act, 1934 (which provides that the Ottawa duty on patent leather imposed by that section is not to be charged when the agreement with Canada scheduled to the Ottawa Agreements Act, 1932, is not in force, and that the provisions of that Act for reducing Ottawa duties are to be excluded) shall cease to have effect and in the proviso to subsection (1) of that section (which provides that the duty of fifteen per cent. chargeable under that section shall not be charged where a higher duty is chargeable under the Import Duties Act, 1932) for the words " fifteen per cent. of the value of the goods " there shall be substituted the words " the amount of the duty which would be chargeable by virtue of this section ".
- (2) The proviso to subsection (1) of section eight of the Finance Act, 1935 (which provides that the Ottawa duty on rice in the husk imposed by that section is not to be charged when the agreement with India scheduled to the Ottawa Agreements Act, 1932, is not in force, and that the provisions of that Act for reducing Ottawa duties are to be excluded) shall cease to have effect.
- (3) For the purposes of the proviso to subsection (3) of section one of the Ottawa Agreements Act, 1932 (which provides that an order under that subsection reimposing a duty or increasing the rate of a duty previously reduced shall not provide for a rate greater than the rate specified in Part I of the Second Schedule to that Act) the rates set out in the said section six and the said section eight shall be treated as rates specified in the said Part I.

## **11 Prunes.**

The duties of customs chargeable on prunes under the Customs Tariff Act, 1876, and under the Ottawa Agreements Act, 1932, shall cease to be chargeable and, accordingly.

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- (a) the reference to prunes and the rate of duty chargeable in respect thereof in the Schedule to the Customs Tariff Act, 1876; and
- (b) the reference to prunes in Part I of the Second Schedule to the Ottawa Agreements Act, 1932,

shall cease to have effect; and prunes shall not be chargeable as preserved plums under either of those Acts.

## **12 Forfeiture for breach of certain conditions.**

(1) If under any enactment or practice whereby—

- (a) goods liable to customs duty are allowed to be delivered without payment of duty on condition that they will not be sold or will be re-exported or upon any other like condition ; or
- (b) the amount of customs duty payable on any goods depends on their being imported on any such condition,

any goods are allowed to be delivered without payment of duty or on payment of duty calculated in accordance with the enactment or practice, and the condition is not fulfilled, the goods shall be forfeited.

(2) The provisions of this section shall apply whether or not any undertaking or security has been given for the fulfilment of the condition or for the payment of the duty payable apart from the condition, and the forfeiture of any goods under this section shall not affect any liability of any person who has given any such undertaking or security.

## **13 Table waters.**

As from the first day of May, nineteen hundred and forty-eight, the following duties (which are imposed as respects table waters) shall cease to be chargeable, that is to say—

- (a) the duties of excise chargeable under section four of the Finance (New Duties) Act, 1916;
- (b) the duties of customs chargeable under section seven of the Finance Act, 1916; and
- (c) the duty of excise on a licence to be taken out annually charged under section nine of the Finance Act, 1916;

and the requirements of section six of the Finance (New Duties) Act, 1916, as to registration or licensing shall cease to have effect as from the said day.

## **14 Pool betting duty.**

(1) Subject to the provisions of this section, section six of the Finance (No. 2) Act, 1947, (which imposes the pool betting duty) shall have effect as if in subsection (1) thereof for the words " ten percent." there were substituted the words " twenty per cent.- ".

(2) Subject to the provisions of this section, bets shall be deemed for the purposes of the said section six and of the Fifth Schedule to the said Act to be made by way of pool betting whenever a number of persons make bets on terms that the winnings of such of those persons as are winners shall be, or shall include, an amount (not determined by reference to the stake-money paid or agreed to be paid by those persons) which is divisible in any proportions among such of those persons as are winners.

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Nothing in this subsection shall be construed as restricting the definition of pool betting contained in subsection (5) of the said section six as originally enacted.

- (3) Nothing in this section shall apply to bets made by means of a totalisator set up on a dog racecourse which is a track in respect of which a licence granted under Part I of the Betting and Lotteries Act, 1934, is for the time being in force.
- (4) In this section the expressions " bet " and " totalisator " have the same meanings as in the said section six.
- (5) This section shall be deemed to have come into operation as respects any bets made by reference to any event taking place on or after the seventh day of April, nineteen hundred and forty-eight.'

## 15 Bookmakers' licence duty.

- (1) A duty of excise, to be known as the bookmakers' licence duty, of an amount determined in accordance with the following Table shall be charged, levied and paid on a bookmaker's licence to be taken out on the occasion of a dog race-meeting at which a totalisator is operated, to carry on book-making at the meeting. Table

For a course where the public is admitted to	A licence authorising the bookmaker to carry on bookmaking in	Amount of duty on the licence	
1.	2.	3.	4.
A single enclosure	The enclosure	£12	Where there are to be more races than eight at the meeting an additional amount of one eighth of the amount in the third column for each race in excess of eight.
Two enclosures and no more.	The cheaper enclosure	£6	
	The dearer enclosure	£ 24	
	The cheapest enclosure	£6	
More than two enclosures.	The cheapest but one enclosure	£18	
	Any other enclosure	£48	

- (2) If any person carries on bookmaking in an enclosure at a dog race-meeting at which a totalisator is operated without having taken out a licence for that meeting authorising him to carry on bookmaking in that enclosure, he shall be liable to an excise penalty of two hundred pounds.

In any proceedings under this subsection the burden of proof that the person from whom the penalty is sought to be recovered took out a licence for the meeting authorising him to carry on bookmaking in the enclosure shall lie on that person.

- (3) The supplemental provisions set out in the Sixth Schedule to this Act shall have effect with respect to the bookmakers' licence duty.

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- (4) For the purposes of this section and the said Schedule—
- (a) the expression " enclosure " means a part of a course to which the public is admitted to see the races, and one part of the course shall be treated as being in the same enclosure as another part of the course, or as being in a cheaper or dearer enclosure than that other part, according as the highest charge made to members of the public for admission to the one part of the course is the same as, or less or greater than, the highest charge made to members of the public for admission to that other part of the course ;
  - (b) the fact that any particular enclosure is, as a temporary measure, closed to the public for any particular meeting or part of a meeting shall not affect any question as to how many enclosures there are on the course or as to which is the cheaper or cheapest;
  - (c) any reference to a meeting at which a totalisator is operated shall be construed as a reference to a meeting on a course on which a totalisator is operated for the whole or any part of the meeting ;
  - (d) a meeting shall be treated as terminated when the public are required to leave the enclosures and, accordingly, any races held on the course after that time shall be treated as held at another meeting ;
  - (e) the expressions " bookmaker ", " bookmaking ", " dog race ", " dog race-course " and " totalisator " have the meanings assigned to them by subsection (1) of section twenty of the Betting and Lotteries Act, 1934, and " dog race-meeting " shall be construed accordingly.
- (5) This section shall come into operation on the tenth day after the day on which this Act is passed.

## **16 Entertainments duty on stage plays, etc.**

- (1) Section six of the Finance Act, 1943, shall have effect as if for the rates of duty set out in Part I of the Fifth Schedule to that Act (which relates to the rates of entertainments duty chargeable for stage plays, etc.) there were substituted the rates of duty set out in the Seventh Schedule to this Act.
- (2) This section shall be deemed to have had effect as respects any payment, whenever made, for admission to any entertainment held on or after the thirtieth day of May, nineteen hundred and forty-eight, and where duty has been charged, at the rates in force apart from the provisions of this section, on any payment made before that day for admission to any entertainment to which the said Part I relates held on or after that day, the person by whom the duty was paid shall be entitled to repayment of the difference between the amount of duty actually paid and the amount, if any, chargeable in accordance with the provisions of this section.

## **17 Relief for rural entertainments.**

- (1) Entertainments duty shall not be charged on payments for admission to an entertainment as respects which the Commissioners are satisfied—
- (a) that the entertainment is held in a building in a borough, urban district or rural parish within the meaning of the Local Government Act, 1933, being a borough, urban district or parish with a population not exceeding two thousand or with a population not exceeding sixty-four to the square mile ; and



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- (b) that seating capacity for more than four hundred persons cannot be provided in the building.
- (2) In this section references to buildings do not include references to buildings not attached to permanent foundations.
- (3) This section shall have effect in Scotland with the substitution, for the references to a borough, urban district or rural parish within the meaning of the Local Government Act, 1933, of references to a small burgh within the meaning of the Local Government (Scotland) Act, 1947, or a landward parish or the landward part of a parish which is partly landward and partly burghal.
- (4) This section shall have effect and be deemed always to have had effect as respects any payment, whenever made, for admission to any entertainment held on or after the first day of May, nineteen hundred and forty-eight, and where duty has been charged on any payment made before that day for admission to an entertainment to which this section applies held on or after that day, the person by whom the duty was paid shall be entitled to repayment of the amount of the duty:

Provided that—

- (a) in England, this subsection shall have effect in relation to any borough or urban district as if for the reference to the first day of May, nineteen hundred and forty-eight, there were substituted a reference to the first day of August, nineteen hundred and forty-eight; and
- (b) as respects entertainments held, whether in England or in Scotland, before the said first day of August, paragraph (b) of subsection (1) of this section shall have effect and be deemed always to have had effect as if for the words " four hundred persons," there were substituted the words " two hundred persons. "

## **18 Partial remission of mechanically propelled vehicles duty in certain cases.**

- (1) Where, before such date as may be specified by order of the Treasury, a licence under section thirteen of the Finance Act, 1920, is issued in respect of either—
  - (a) a vehicle, being a bicycle or a tricycle, which is chargeable with duty under paragraph 1 of the Second Schedule to that Act, and which is not constructed or adapted to use as fuel any fuel other than light oils ; or
  - (b) a, vehicle chargeable with duty under paragraph 6 of that Schedule, which is not constructed or adapted to use as fuel any fuel other than light oils,and the condition specified in subsection (2) of this section is fulfilled, the licence shall be issued on payment of half only of the duty chargeable and the other half of the duty chargeable shall be remitted, but a licence so issued shall become void on that condition ceasing to be fulfilled.
- (2) The said condition is that either—
  - (a) no coupons, except standard ration coupons, have been issued in respect of the vehicle to the person in whose name it is registered under the Roads Act, 1920 ; or
  - (b) it is certified by a person authorised in that behalf by the Minister of Fuel and Power that every coupon so issued, other than a standard ration coupon, has been delivered up unused to that Minister in accordance with the orders of that Minister for the time being in force in respect of the control of motor fuel; or

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- (c) the period of the validity of every coupon so issued, other than a standard ration coupon or a coupon so certified as aforesaid, to have been so delivered up unused, has expired :

Provided that where—

- (i) coupons other than standard ration coupons have been so issued for any period; and  
(ii) it is certified by a person authorised as aforesaid that some of those coupons have been delivered up unused as aforesaid before the expiration of that period,

the period of the validity of all those coupons shall be treated for the purposes of this section (but not for any other purpose) as expiring on such date as may be specified in the certificate, being the date by which so much only of that period remains as bears to the whole thereof the same proportion as the number of units of fuel covered by the coupons which are delivered up unused bears to the number of units of fuel which were covered by all the said coupons.

- (3) On the surrender of a licence in respect of which there has been a remission of duty under this section, the repayment of duty, if any, falling to be made under section eighteen of the Finance Act, 1924, shall be computed by reference to the duty chargeable as diminished by the amount of the remission.
- (4) In this section, the expressions " coupon " and " standard ration coupon " have the same meanings as for the purposes of the orders of the Minister of Fuel and Power from time to time in force in respect of the control of motor fuel, and the expression " light oils " has the meaning assigned to it by subsection (3) of section two of the Finance Act, 1928.
- (5) This section shall be deemed to have had effect as from the first day of June, nineteen hundred and forty-eight.

## **19 Amendment as to unladen weight of goods vehicles.**

- (1) Section seven of the Finance Act, 1937 (which provides that the unladen weight of a goods vehicle shall for the purposes of paragraph five of the Second Schedule to the Finance Act, 1920, be taken to include the weight of certain receptacles placed on vehicles) shall have effect subject to the amendments specified in the following provisions of this section.
- (2) For paragraph (b) of the proviso to subsection (1) of that section (which exempts from inclusion in the unladen weight of a goods vehicle by virtue of that section receptacles constructed or adapted for the purpose of being lifted on or off a vehicle with goods or burden contained therein) there shall be substituted the following paragraphs—
- “(b) if the receptacle is constructed or adapted for the purpose of being lifted on or off the vehicle with goods or burden contained therein and is from time to time actually used for that purpose in the ordinary course of business ; or
- (c) if the receptacle is specially constructed or specially adapted for carrying livestock and is used solely for that purpose.”
- (3) After the said subsection (1) there shall be inserted the following subsections—
- “(1A) If any question arises under paragraph (b) of the proviso to subsection (1) of this section whether any receptacle is from time to time actually used for the

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purpose therein mentioned in the ordinary course of business, the receptacle shall be deemed not to be so used until the contrary is shown.

(1B) For the purposes of paragraph (c) of the proviso to subsection (1) of this section, a receptacle shall not be deemed to be used otherwise than solely for carrying livestock by reason that, on a journey the main purpose of which is the carriage of livestock or on the way to the loading point or while returning from the discharging point on such a journey, the vehicle is used for carrying agricultural produce or agricultural requisites.”