



Finance Act 1949

1949 CHAPTER 47

PART V

LAND TAX

37 Stabilisation of charge for tax, and procedure for assessment

- (1) Land tax shall remain chargeable where, and only where, it was chargeable on a property for the land tax year 1948-49 (hereafter in this section referred to as "the basic year"), and only in so far as the property has not been exonerated therefrom by this Act or by the redemption of the tax, whether under this Act or otherwise; and the amount of the tax chargeable for any subsequent year (hereafter in this Part of this Act referred to as "the annual charge") shall be determined in accordance with the following provisions of this section.
- (2) The amount fixed as that of the land tax attributable to any property for the basic year shall be the annual charge for the property subject to the provision hereafter made in this section for reduction and apportionment.
- (3) Where in any land tax parish there was in the basic year a surplus of the aggregate charge over the parish quota, the annual charge for any property in that parish shall be reduced so as to bear to the amount mentioned in the last foregoing subsection the same proportion as the amount of that quota, reduced by one twenty-fifth of the surplus, bears to the amount of that aggregate charge. In this subsection the expressions "parish quota" and "aggregate charge" mean respectively, in relation to any land tax parish, the amount of the unredeemed quota of land tax charged against the parish and the amount assessed in the parish on account of that quota.
- (4) Subject to the following provisions of this Act, land tax for land tax years after the year 1949-50 shall be payable on assessments made for that year, and assessments shall not be made for land tax years after that year.
- (5) The annual charge for any property may be apportioned, on an assessment made for the land tax year 1949-50 or any subsequent year, between any part of the property which at the beginning of the year in question is separately owned or occupied and

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the remainder thereof, and (subject to any further assessment under this or the next following subsection) for that and subsequent years the amount so apportioned to any part of the property shall be the annual charge for that part and the tax shall be payable on that assessment accordingly.

- (6) Where it is shown that—
- (a) in the basic year any mine or quarry, or the right to any tolls, was assessed to land tax as a separate property; and
 - (b) in the land tax year 1949-50 or any subsequent year the rateable value of the property or, if the annual charge for the property has been apportioned, of a part thereof separately assessed to land tax is less than in the basic year ;

then for the year in question the annual charge for the property or for that part thereof, as the case may be, shall be reduced on an assessment made for that year, so that the annual charge and the rateable value in question shall bear the same proportion to one another in that year as those of the property did in the basic year, and the tax shall be payable on that assessment accordingly.

- (7) For the purposes of the last foregoing subsection, references to the rateable value of any property in a land tax year shall be taken as referring to the valuation list as in force immediately after the beginning of the corresponding rating year, with any necessary apportionment of the values shown therein.
- (8) The assessments for the land tax year 1949-50 and any subsequent assessment shall be made by the inspector of taxes, and when so made shall be of the same effect as if signed and allowed by the land tax commissioners:

Provided that any person aggrieved by an assessment so made, or by a refusal of the inspector of taxes to make an assessment for the purpose of an apportionment or reduction of the annual charge as provided by this Part of this Act, may appeal within the prescribed time and in the prescribed manner to the land tax commissioners.

- (9) Section one hundred and sixty-seven of the Land Tax Redemption Act, 1802, and the third rule in Schedule E to the Land Tax Redemption Act, 1813 (which relate to default in making payment for the voluntary redemption of land tax), shall cease to have effect in so far as they would invalidate any contract for redemption or would revive the land tax redeemed by such a contract; and section thirty-three of the Taxes Management Act, 1880 (which provides that assessments and other documents relating to land tax shall belong to and be kept by the land tax commissioners), shall also cease to have effect.

38 Exoneration of certain properties

- (1) The following properties shall be exonerated from land tax, namely—
- (a) any Crown property not occupied by some other person;
 - (b) any property in respect of which, if not exonerated, the annual charge for the land tax year 1949-50 would be less than ten shillings ;
 - (c) any property which becomes liable to redemption on a death, if it is shown to the satisfaction of the Commissioners of Inland Revenue that for purposes of estate duty the principal value of the estate of which the relevant interest forms part, or is for this purpose to be treated as forming part, is less than two thousand pounds.
- (2) The exoneration of any property under this section shall, subject to the next following subsection, have effect from the beginning of the land tax year 1949-50 or, in the case

of a property not satisfying any of the conditions for exoneration before the end of that year, from the beginning of the land tax year in which it does satisfy one of those conditions.

- (3) An assessment apportioning the annual charge for any property between parts thereof separately owned or occupied at the beginning of the land tax year 1949-50 may for the purpose of subsection (1) of this section be made at any time, but if the charge is apportioned on an application made after the end of that year the condition in paragraph (b) of that subsection shall not by virtue of the apportionment be deemed to be satisfied as respects any part of the property before the date of the application.
- (4) For the purpose of paragraph (c) of subsection (1) of this section the relevant interest in a property shall be treated as forming part of an estate for purposes of estate duty if it would do so but for any exemption from that duty applying to that interest with or without other property, and where the interest is so treated by virtue of this subsection the principal value of the estate shall be determined as if there were no such exemption.

39 Liability to and date for compulsory redemption

- (1) A property chargeable with land tax shall become liable to redemption if on or after the first day of April, nineteen hundred and fifty,—
 - (a) the property is Crown property but is occupied by some other person; or
 - (b) the estate owner in respect of the relevant interest—
 - (i) disposes of that interest; or
 - (ii) grants out of that interest a lease for a term of twenty-one years or more (not being a lease by way of security only); or
 - (c) the relevant interest comes to an end ; or
 - (d) the sole beneficial owner in possession of the relevant interest dies; or
 - (e) the beneficial owner in possession of the relevant interest is a corporate or unincorporated body of persons or the sole trustee of a trust established for charitable or public purposes only.
- (2) The date for compulsory redemption in the case of any property shall be that on which it becomes liable to redemption or, in the case of a property becoming liable before the first day of January, nineteen hundred and fifty-four, by virtue only of paragraph (e) of the foregoing subsection, the said first day of January.
- (3) For the purposes of subsection (1) of this section—
 - (a) the expression " property" includes any part of a property;
 - (b) the expression " beneficial owner in possession " means the person who by virtue of the relevant interest or any trust thereof is for the time being beneficially entitled (subject or not to any charge, annuity or other incumbrance) to possession of the property or to any income arising therefrom, so, however, that for the purposes of this definition any assignment of a life interest under a settlement or trust shall be disregarded so long as the life interest subsists;
 - (c) any reference to disposing of the relevant interest includes any disposition of the whole of that interest as for the time being vested in the estate owner, except that a disposition by an estate owner acting in a fiduciary capacity is included only if made on a sale;

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and in this subsection the expression "beneficially entitled" includes entitled as trustee of a trust established for charitable or public purposes only or otherwise entitled for the benefit of the public or any section of the public.

- (4) Notwithstanding anything in the last foregoing subsection, paragraph (d) of subsection (1) of this section shall not apply where the interest of the deceased was as trustee of a trust established as aforesaid or as holder of any office or recipient of the benefits of a charity or as a corporation sole.

40 Amount of, and liability and charge for, redemption money

- (1) Where a property becomes liable to redemption, and is not exonerated from land tax under the foregoing provisions of this Part of this Act, then subject to the provisions of this section there shall become payable to His Majesty a sum equal to twenty-five times the annual charge for the property and land tax shall cease to be payable in respect of the property as from the quarter day last before the date on which that sum becomes due.
- (2) The said sum (hereafter in this section referred to as "the redemption money") shall be payable by the person who immediately after the property becomes liable to redemption is the estate owner in respect of the relevant interest or, in the case of property becoming liable to redemption on the termination of that interest, the estate owner in respect of the reversion immediately expectant thereon:
- Provided that the redemption money payable in respect of any property by or on behalf of the Crown shall be deemed to be paid on the date on which it becomes due.
- (3) The redemption money in respect of any property shall be due on such date (not being earlier than the date for compulsory redemption) as may be prescribed.
- (4) The redemption money for which the estate, owner in respect of an estate in any property is made liable by this section shall until payment be charged on that estate, and the charge created by this subsection—
- (a) shall be deemed to be a land charge of class B within the meaning of the Land Charges Act, 1925, but not an Inland Revenue charge within the meaning of section fifty-nine of the Land Registration Act, 1925; and
 - (b) shall be enforceable by the Commissioners of Inland Revenue under the Law of Property Act, 1925, and otherwise as if they were mortgagees by deed having powers of sale and lease and of appointing a receiver.
- (5) Where a property becomes liable to redemption on the death of the estate owner in respect of the relevant interest, the persons on whom that interest devolves as his personal representatives, whether appointed by his will or not, shall be deemed for the purposes of this section to become estate owners in respect of that interest immediately on his death.
- (6) Where a property becoming liable to redemption is not separately assessed to land tax, the annual charge for the property shall be determined for the purposes of this section by an apportionment made as in the case of a property separately owned or occupied at the beginning of a land tax year.
- (7) Where a property becomes liable to redemption, notice of that fact shall be given by the person liable for the redemption money (or who would be so liable if the property were not exonerated) to such person as may be prescribed.

- (8) Where the person liable (or who would be liable as aforesaid) for the redemption money in respect of any property fails to give notice under this section within the prescribed time or to pay the redemption money (if any) on the date on which it becomes due, he shall be liable to a penalty of fifty pounds recoverable by action as a debt due to the Crown and, in the case of a failure to pay the redemption money, shall also be liable to pay in addition to the redemption money interest thereon at the rate of two per cent. per annum without any deduction for income tax:

Provided that the Commissioners of Inland Revenue may mitigate or remit any penalty under this subsection, either before or after judgment.

- (9) Regulations may provide for applying with or without modifications and extending in relation to the compulsory redemption of land tax all or any of the enactments relating to the voluntary redemption of land tax and in particular those specified in the Ninth Schedule to this Act (which relate respectively to the matters mentioned in the second column of that Schedule), but save as provided by any such regulations none of the enactments referred to in this subsection shall apply in relation to a compulsory redemption.
- (10) Subsection (3) of section two of the Increase of Rent and Mortgage Interest (Restrictions) Act, 1920 (which provides among other things for disregarding increases of rent in respect of the transfer of a liability from tenant to landlord), shall apply in relation to any increase of rent in respect of land tax compulsorily redeemed by the landlord, being tax previously borne by the tenant, as it applies to an increase in respect of a transfer to the landlord of a liability so borne.

41 Payment for voluntary redemption

The capital sum to be paid under section thirty-two of the Finance Act, 1896, by the owner of a property for the voluntary redemption of land tax charged thereon shall, except in the case of any contract entered into before the first day of April, nineteen hundred and fifty, be a sum equal to twenty-five times the annual charge for the property (as in the case of a compulsory redemption), instead of a sum equal to twenty-five times the sum assessed thereon for the land tax year 1939-40 as provided by section forty-three of the Finance Act, 1942.

42 Land tax redeemed but not exonerated

- (1) Any annuity payable by the Commissioners of Inland Revenue under the Land Tax Perpetuation Act, 1798, in respect of land tax redeemed but not exonerated shall cease to be payable on the fifth day of April, nineteen hundred and fifty.
- (2) Any person who immediately before that day is entitled to such an annuity shall in lieu thereof be entitled to have transferred to him by the Commissioners of Inland Revenue government stock of such class as the Treasury may determine and of such an amount that the dividends thereon are equal to the amount of the annuity.
- (3) Any transfer of stock under this section shall be made as at the said fifth day of April and accordingly, if any dividends on the stock have become payable between that day and the transfer, shall be accompanied by a payment of interest in lieu of and equal to those dividends.
- (4) Stock transferred in lieu of an annuity under this section shall be held in the same right and on the same trusts and subject to the same powers, privileges, provisions,

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charges, restraints and liabilities as those in, on, or subject to which the annuity is held immediately before the said fifth day of April, and so as to give effect to and not revoke any deed, will, disposition or other instrument disposing of or affecting that annuity, and every such disposition or instrument shall take effect with reference to the whole or a proportionate part, as the case may be, of the stock :

Provided that no provision of the Land Tax Acts entitling any person to a transfer of the annuity shall apply to the stock.

- (5) Any sums required by the Commissioners of Inland Revenue for the purchase of stock to be transferred under this section, or for the making of payments thereunder, shall be issued out of the Consolidated Fund or the growing produce thereof.

43 Regulations

- (1) Provision may be made by regulations—
- (a) for regulating the procedure for the assessment of the annual charge on any property and matters incidental to or arising out of the making of an assessment (including the time within which applications to apportion or reduce the annual charge are to be made, the making of appeals against assessments, the notice to be given of any assessment and the right to inspect or receive copies thereof, and the duties of the collectors of land tax);
 - (b) for regulating the procedure for the redemption (whether voluntary or compulsory) of land tax and matters incidental thereto.
- (2) Any such regulations so far as they relate to the duties of collectors, or to the procedure for voluntary redemption and matters incidental thereto, shall have effect notwithstanding anything contained in any Act passed before this Act,
- (3) Any regulations under this Part of this Act shall be made by the Commissioners of Inland Revenue by statutory instrument, which shall be subject to annulment by resolution of either House of Parliament.

44 Interpretation of Part V

- (1) In this Part of this Act the following expressions have the meanings hereby respectively assigned to them, that is to say—
- (a) " Crown property " means a property the relevant interest in which belongs to His Majesty in right of the Crown or to the Duchy of Cornwall, or belongs to a Government department or is held in trust for His Majesty for the purposes of a Government department, and references to a property being occupied by a person other than the Crown, or to redemption money being payable by or on behalf of the Crown, shall be construed accordingly ;
 - (b) " inspector of taxes " has the same meaning as in the Income Tax Acts;
 - (c) "land tax year" means a period of twelve months ending with the twenty-fourth day of March;
 - (d) " prescribed " means prescribed by regulations ;
 - (e) " relevant interest " means—
 - (i) in the case of a property which on the first day of April, nineteen hundred and fifty, is comprised in a lease for a term having not less than fifty years unexpired (not being a lease by way of security only),

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- the term under that lease or, if there are more than one, that one on which the others are reversionary; and
- (ii) in any other case the legal estate in fee simple.
- (2) References in this Part of this Act to the annual charge for a property, in a case in which the charge may vary under subsection (6) of section thirty-seven of this Act, shall (except in so far as the context otherwise requires)—
- (a) in relation to the exoneration of the property under paragraph (b) of subsection (1) of section thirty-eight of this Act be taken as referring to the annual charge apart from any such variation; and
 - (b) in relation to the redemption of the tax on that property be taken as referring to the charge for the land tax year in which the date for compulsory redemption falls or, in the case of a voluntary redemption, the land tax year in which the tax is redeemed.

45 Application of Part V to Scotland

- (1) The following provisions of this section shall have effect for the purpose of the application of this Part of this Act to Scotland.
- (2) For any reference to a life interest there shall be substituted a reference to a liferent; for any reference to the reversion immediately expectant on an interest there shall be substituted a reference to the interest of a landlord in property subject to a lease.
- (3) Section thirty-seven of this Act shall have effect as if—
- (a) subsections (3), (6) and (7) were omitted; and
 - (b) for subsection (8) there were substituted the following subsection:—
- “(8) The assessments for the land tax year 1949-50 and any subsequent assessment shall be made by the collector of taxes:
- Provided that any person aggrieved by an assessment so made or by the refusal of the collector of taxes to make an assessment for the purpose of an apportionment of the annual charge as provided by this Part of this Act, may appeal within the prescribed time and in the prescribed manner to the sheriff whose decision on any such appeal shall be final.”
- (4) Section forty of this Act shall have effect as if for subsections (4) and (5) there were substituted the following subsections:—
- “(4) The redemption money due in respect of any property may be charged on the property by means of a charging order made by the Commissioners of Inland Revenue in favour of themselves, and recorded in the appropriate register of sasines, and any such order when so recorded shall have priority over all other estates, interests and incumbrances other than those incident to tenure.
 - (5) Where a property becomes liable to redemption on the death of the estate owner in respect of the relevant interest, the following persons shall be deemed for the purposes of this section to become estate owners in respect of that interest immediately on his death, namely—
- (a) if the property is subject to any testamentary disposition, the persons entitled under that disposition; and
 - (b) in any other case, the heir at law.”

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(5) Section forty-four of this Act shall have effect as if for the definition of the expression "relevant interest" the following definition were substituted—

“relevant interest” means—

- (i) in the case of a property which on the first day of April, nineteen hundred and fifty, is comprised in a lease (not being a lease by way of security only) for a period the unexpired portion of which is fifty years or more, the interest of the tenant under that lease or, if there is more than one such lease, the interest of such one of the tenants under those leases as is entitled to possession; and
- (ii) in any other case the interest of the proprietor of the dominium utile or, if the property is other than feudal property, the interest of the owner.”