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SCHEDULES

SIXTH SCHEDULE

TRANSITIONAL PROVISIONS IN CONNECTION WITH INCREASE IN RATE OF PROFITS TAX

Increases of Dividend

- 2 (1) If, in the case of any accounting period of a body corporate, unincorporated society or other body beginning before the end of the year nineteen hundred and fifty, the total of the dividends assignable to that period exceeds the governing total, any such dividends declared after the ninth day of April, nineteen hundred and fifty-one, shall, to the extent of the excess—
- (a) in determining the gross relevant distributions to proprietors for the chargeable accounting period beginning at the end of the year nineteen hundred and fifty or for that in which they are paid, whichever is later, be included as a distribution for that chargeable accounting period ; and
 - (b) in determining those for any chargeable accounting period other than the one last mentioned, be left out of account.
- (2) The governing total for the purposes of sub-paragraph (1) of this paragraph is, in relation to any accounting period of a body corporate, society or other body, the total of the dividends assignable to the immediately preceding accounting period thereof :
- Provided that—
- (a) where the amount of any class of paid up share capital on which dividends assignable to the preceding accounting period are paid is less than the amount of that class of paid up share capital on which dividends assignable to the succeeding accounting period are paid, then (subject to sub-paragraph (3) of this paragraph) the dividends on that class of capital assignable to the said preceding period shall, if the person carrying on the trade or business so elects, be treated for the purposes of this sub-paragraph as correspondingly increased.; and
 - (b) where the preceding accounting period is longer or shorter than the succeeding accounting period, the total dividends assignable to the said preceding period shall be treated for the purposes of this sub-paragraph as correspondingly reduced or increased.
- (3) For the purposes of paragraph (a) of the proviso to sub-paragraph (2) of this paragraph, any increase in the amount of any class of paid up share capital on which dividends are paid shall be disregarded in so far as it represents shares which were previously unissued or not paid up but which have since been issued, or been treated as paid up, wholly or partly in consideration of the retention by the body or society, by way of set-off or otherwise, of sums distributable by way of dividend.
- (4) For the purposes of this paragraph, the dividends assignable to any accounting period are those expressed to be paid in respect of that period or any part thereof, but in the case of an accounting period ending after the ninth day of April, nineteen hundred

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and fifty-one, include also any dividends which are declared after that date and paid during the period and are not expressed to be paid in respect of any period.

(5) In this paragraph, " dividend " includes an interim dividend, and a dividend shall be treated as being declared—

- (a) in the case of a dividend declared by a body or society in general meeting, at the date of the declaration ;
- (b) in any other case, at the date on which it is paid:

Provided that—

- (i) where a dividend is declared in general meeting in accordance with a recommendation of the directors and the directors' decision to make that recommendation was, with the authority of the directors, publicly announced at an earlier date, the dividend shall, for the purposes of this paragraph, be treated as declared at that earlier date; and
- (ii) where a dividend not so declared is paid in accordance with a decision of the directors and that decision was, with their authority, publicly announced at an earlier date, the dividend shall, if the body or society so elects, for the purposes of this paragraph be treated as declared at that earlier date.