



Finance Act 1950

1950 CHAPTER 15

PART I

CUSTOMS, EXCISE AND PURCHASE TAX

Hydrocarbon oils, etc.

1 Hydrocarbon oils (rate of customs duty and rebate)

- (1) The rate of the duty of customs charged under section two of the Finance Act, 1928, on hydrocarbon oils shall be eighteen pence a gallon (instead of being ninepence a gallon as provided by section one of the Finance Act, 1938).
- (2) The rate of any rebate allowed under subsection (3) of the said section two on the delivery for home consumption of oils other than light oils within the meaning of that subsection shall be as follows:—
 - (a) in the case of the oils mentioned in the next following subsection, it shall be eighteen pence a gallon (instead of being ninepence a gallon as provided by section one of the Finance Act, 1947);
 - (b) in any other case it shall be seventeen pence a gallon (instead of being eightpence a gallon as provided by section one of the Finance Act, 1938).
- (3) The oils (not being light oils) to which paragraph (a) of the last foregoing subsection applies are—
 - (a) fuel oils (that is to say, oils which contain in solution an amount of hard asphalt of not less than one half of one per cent.); and
 - (b) gas oils (that is to say, oils of which not more than fifty per cent. by volume distils at a temperature not exceeding two hundred and forty degrees centigrade, and of which more than fifty per cent. by volume distils at a temperature not exceeding three hundred and forty degrees centigrade); and
 - (c) kerosene (that is to say, oils of which more than fifty per cent. by volume distils at a temperature not exceeding two hundred and forty degrees centigrade).

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- (4) The method of testing any oils for the purpose of the last foregoing subsection shall be such as the Commissioners may direct
- (5) For the purposes of section two of the Finance Act, 1935 (which disallows rebate on heavy oils used as road fuel), the rebate allowed on oils of any description shall not be treated as having been repaid unless it has been repaid at the rate for the time being in force for oils of that description.
- (6) This section shall have effect as from six o'clock in the evening of the eighteenth day of April, nineteen hundred and fifty, but the last foregoing subsection shall not apply to any rebate repaid before that hour.

2 Hydrocarbon oils (excise)

- (1) Subject to the provisions of this section—
 - (a) there shall be charged on any hydrocarbon oils to which this section applies a duty of excise at the rate at which the duty of customs on hydrocarbon oils is for the time being chargeable under section two of the Finance Act, 1928, less ninepence a gallon or such other amount per gallon as may from time to time be directed by order of the Treasury; and
 - (b) in the case of oils other than light oils, there shall be allowed from that duty a rebate, at the rate for the time being in force for the duty, on any oils charged with the duty and not excluded from rebate by section two of the Finance Act, 1935 (which relates to oils used as road fuel).
- (2) This section shall apply to hydrocarbon oils produced in the United Kingdom, if so produced on or after the relevant date or if stored on or after the relevant date in a refinery or on other premises in the United Kingdom used for the production of hydrocarbon oils or on premises containing any bonded storage for hydrocarbon oils:

Provided that it shall not apply—

 - (a) to oils on which a duty of customs is chargeable under section two of the Finance Act, 1928; or
 - (b) to any such oils as are exempted from that duty by subsection (5) of section six of the Finance Act, 1933 (which relates to solid or semi-solid substances).
- (3) The duty under this section and any rebate from that duty shall be charged or allowed in the case of any oils when they are first (on or after the relevant date) either—
 - (a) delivered for home consumption from a refinery or from other premises used for the production of hydrocarbon oils or from premises containing any bonded storage for hydrocarbon oils ; or
 - (b) removed to a refinery which it appears to the Commissioners is not primarily used for the production of hydrocarbon oils and which is for the time being specified in a direction given by the Commissioners for this purpose; or
 - (c) used in a refinery in such circumstances that an allowance is payable in respect thereof under subsection (4) of section eight of the Finance (No. 2) Act, 1945; and shall be charged or allowed according to the quantity so delivered or removed or the quantity treated for the purposes of the said section eight as so used, as the case may be.
- (4) In the enactments mentioned in the First Schedule to this Act references to the customs duty on hydrocarbon oils under section two of the Finance Act, 1928, to drawback of that duty and to rebate under subsection (3) of that section shall respectively include

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references to the duty under this section, to drawback thereof and to rebate under this section, and in section two of the Finance Act, 1935, after the words " bill of entry " in subsection (2) there shall be inserted the words " or home consumption warrant " and the words " in the case of imported oils " in subsection (4) shall be omitted.

- (5) The Commissioners may by statutory instrument make regulations—
- (a) for prohibiting the production of hydrocarbon oils or any description thereof except by a person holding a licence, and for requiring premises used for the production of any such oils to be entered with the Commissioners ; and
 - (b) for fixing the date of expiration of any such licence; and
 - (c) for regulating (with a view to securing the collection of any duty under this section) the production, storage and warehousing of hydrocarbon oils or any description thereof, and the removal of any such oils to or from premises used for the production of any such oils; and
 - (d) for relieving from the duty under this section oils intended for exportation or shipment as stores ; and
 - (e) generally for securing and collecting the duty under this section;
- and may by the regulations apply to the duty and drawback under this section and to producers of hydrocarbon oils or any description thereof any enactments relating to any duty or drawback of excise or customs and to persons carrying on any trade subject to the law of excise.
- (6) If any person acts in contravention of, or fails to comply with, any regulations made under this section he shall be liable at the option of the Commissioners either to an excise penalty equal to three times the value of the goods in respect of which the offence was committed (including the full amount of the duty, if any, chargeable thereon) or to an excise penalty of one hundred pounds, and the goods in respect of which the offence was committed shall be forfeited.
- (7) The power of the Treasury to make orders under subsection (1) of this section shall be exercisable by statutory instrument, which shall be laid before the Commons House of Parliament after being made and,—
- (a) if it increases the rate of duty under this section, shall cease to have effect on the expiration of a period of twenty-eight days from the date on which it is made, unless at some time before the expiration of that period it has been approved by a resolution of that House (but without prejudice to anything previously done thereunder or to the making of a new order); and
 - (b) if it does not increase the rate of duty under this section, shall be subject to annulment in pursuance of a resolution of that House.

In reckoning any such period of twenty-eight days as aforesaid no account shall be taken of any time during which Parliament is dissolved or prorogued or during which the Commons House is adjourned for more than four days.

- (8) For the purposes of this section—
- (a) references to the production of hydrocarbon oils include references to—
 - (i) the obtaining of one description of hydrocarbon oils from another description thereof; and
 - (ii) the subjecting of hydrocarbon oils to any process of purification or blending ; as well as references to the obtaining of hydrocarbon oils from other substances or from any natural source, and any reference to producers of hydrocarbon oils shall be construed accordingly;

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(b) the expressions " hydrocarbon oils ", " light oils " and " refinery " have the same meanings as in section two of the Finance Act, 1928.

(9) This section shall have effect as from the nineteenth day of April, nineteen hundred and fifty, and references in this section to the relevant date refer to that day.

3 Petrol substitutes (excise)

(1) Subject to the provisions of this section, there shall be charged a duty of excise on any petrol substitute which is sent out from the premises of a person producing or dealing in petrol substitutes and was not acquired by him duty paid under this section.

(2) The rate of duty under this section shall be the same as that at which the duty of excise on hydrocarbon oils is for the time being chargeable under the last foregoing section.

(3) For the purposes of this section, the expression " petrol substitute " means any liquid intended to take the place of petrol as fuel for internal combustion piston engines, being neither a hydrocarbon oil (within the meaning of section two of the Finance Act, 1928) nor power methylated spirits.

(4) The Commissioners may by statutory instrument make regulations—

(a) for prohibiting the production of petrol substitutes, and dealing in petrol substitutes on which duty has not been paid, except by persons holding a licence and having made entry for the purpose; and

(b) for fixing the date of expiration of any such licence; and

(c) for regulating (with a view to securing the collection of any duty under this section) the production, dealing in, storage and warehousing of petrol substitutes and their removal to or from premises used therefor; and

(d) generally for seaming and collecting the duty under this section;

and may by the regulations apply to, that duty and to persons producing or dealing in petrol substitutes any enactments relating to any duty of excise or customs and to persons carrying on any trade subject to the law of excise.

(5) If any person—

(a) uses as fuel for an internal combustion piston engine any liquid which is neither a hydrocarbon oil (within the meaning of section two of the Finance Act, 1928) nor power methylated spirits and which he knows or has reasonable cause to believe not to be duty paid under this section; or

(b) acts in contravention of, or fails to comply with, any regulations made under the last foregoing subsection;

he shall be liable at the option of the Commissioners either to an excise penalty equal to three times the value of the goods in respect of which the offence was committed (including the full amount of the duty, if any, chargeable thereon) or to an excise penalty of one hundred pounds, and the goods in respect of which the offence is committed shall be forfeited.

(6) This section shall have effect as from the " nineteenth day of April, nineteen hundred and fifty, but where any petrol substitute has before that date been sent out from the premises of a person producing or dealing in petrol substitutes it shall not be chargeable with duty under this section by reason of its being again sent out as aforesaid after that date nor shall paragraph (a) of subsection (5) of this section apply to it.

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4 Power methylated spirits (rate of excise duty)

- (1) The rate of the duty of excise charged under section three of the Finance Act, 1938, on spirits used for making power methylated spirits shall be increased from ninepence a gallon to eighteen pence a gallon.
- (2) This section shall have effect as from the nineteenth day of April, nineteen hundred and fifty.

5 Minor amendments about hydrocarbon oils

- (1) For the purposes of the customs duty charged on hydrocarbon oils by section two of the Finance Act, 1928, and of the excise duty charged thereon by this Act, oils satisfying any of the requirements specified in the definition of light oils in subsection (3) of the said section two shall nevertheless be treated as not being light oils if they are of a description to which this subsection is for the time being applied by direction of the Treasury:

Provided that the Treasury shall not direct that this subsection shall apply to any description of oils unless they are satisfied that the description is one which should, according to its use, be classed with oils that are not light oils within that definition.

- (2) The power of the Commissioners to make regulations under section three of the Finance Act, 1928, shall include power to make regulations prohibiting the incorporation of gas in hydrocarbon oils elsewhere than in a refinery; and it is hereby declared that (except in so far as the contrary intention appears)—
 - (a) any reference in that section to hydrocarbon oils applies to hydrocarbon oils whether or not imported or produced from imported materials; and
 - (b) any of the powers conferred by that section may be exercised either as respects all hydrocarbon oils or as respects any class of hydrocarbon oils, and in particular (but without prejudice to the generality of this provision) oils may be divided for the purpose into oils which have, and oils which have not, been imported or produced from imported oils, and (in the case of oils not so imported or produced) into oils which have, and oils which have not, been produced from imported materials.