



Finance Act 1950

1950 CHAPTER 15

PART I

CUSTOMS, EXCISE AND PURCHASE TAX

Other provisions about particular duties or articles

6 Beer (customs and excise)

- (1) Section one of the Finance (No. 2) Act, 1939 (which imposes duties of excise and customs in respect of beer and provides for drawbacks from those duties), shall have effect as if the Second Schedule to this Act were substituted for the First Schedule to that Act:

Provided that this section shall not apply to reduce any drawback in respect of beer as to which it is shown to the satisfaction of the Commissioners that duty was paid at the rate in force before the coming into force of this section.

- (2) This section shall have effect as from the nineteenth day of April, nineteen hundred and fifty.

7 Spirits (allowances on export, etc.)

In section eleven of the Finance (No. 2) Act, 1945 (which abolished certain allowances in respect of spirits exported or otherwise disposed of), any saving for spirits warehoused or distilled before the beginning of the year nineteen hundred and forty-six shall cease to have effect as from the first day of May, nineteen hundred and fifty, and accordingly the proviso to that section is hereby repealed as from that date.

8 Increase of quota for colonial certificated sugar

The maximum quantity of sugar in respect of which quota certificates may be issued under section one of the Finance Act, 1934 (which, inter alia, provides a special preference in respect of colonial sugar), shall, as respects the financial year ending with

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the thirty-first day of March, nineteen hundred and fifty-one and subsequent financial years, be five hundred and twenty-five thousand tons, instead of four hundred thousand tons (the quantity allowed under section two of the Finance Act, 1944).

9 Extension of special power to remove or reduce additional import duties on iron and steel goods

At the end of the First Schedule to the Finance Act, 1936 (which sets out the descriptions of iron and steel goods on which under section six of that Act additional import duty may be removed or reduced in the case of goods accompanied by a certificate of origin and a quota certificate), there shall be added the entry:—

“Tubes, pipes and pipe and tube fittings”.

10 Amendment as to relief from import duties of certain machinery

- (1) Section ten of the Finance Act, 1932 (which authorises the issue of licences for the importation of certain machinery without payment of all or any of the duties under the Import Duties Act, 1932), shall apply, with the necessary modifications of references to importation without payment of duty, to a case where a consignment of machinery is imported and the necessary application is made after the importation but before delivery of the consignment to the importer, as it applies to a case where it is proposed to import a consignment of machinery and the necessary application is made before the importation.
- (2) Subject to such conditions as the Commissioners may impose for the protection of the revenue, any duty paid under the Import Duties Act, 1932, on the importation of any consignment of machinery shall be repaid, if the Commissioners are satisfied that a licence in respect of the consignment has subsequently been issued under the said section ten by virtue of this section.

11 Duty free importations for industrial research

- (1) Where the Board of Trade are satisfied that any goods imported or proposed to be imported after the coming into force of this section are intended and are reasonably required for the purpose of subjecting the goods, or any material or component in the goods, to examination or tests with a view to promoting or improving the manufacture in the United Kingdom of articles similar to those goods or to that material or component, as the case may be, the Board may if in view of all the circumstances of the case they deem it expedient so to do recommend the Treasury to direct that the next following subsection shall apply to the goods, and if on that recommendation the Treasury so direct the said subsection shall apply accordingly:

Provided that in giving any such direction the Treasury may themselves impose conditions for restricting the use or disposal of the goods and may authorise the Commissioners to impose conditions for the protection of the revenue and, where conditions are imposed by or under the direction given with respect to any goods, the said subsection shall apply to any of the goods only if and so long as those conditions are complied with and (where the Commissioners so require) security is given that they will be complied with.

- (2) So long as this subsection applies to any goods, payment shall not be required of any of the following duties of customs which may be chargeable in respect of the importation of the goods, that is to say—

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- (a) the duties chargeable under Part I of the Import Duties Act, 1932;
- (b) the duties chargeable on silk or artificial silk or articles made wholly or in part of silk or artificial silk ;
- (c) the duties chargeable under the Safeguarding of Industries Act, 1921:

Provided that where it is proposed to use or dispose of the goods in any manner for which the consent of the Treasury is required by the direction given with respect to the goods, the Treasury may consent to the goods being so used or disposed of subject to payment of the duty which would have been payable but for the direction or such part of that duty as the Treasury think appropriate in the circumstances.

- (3) Subject to such conditions as the Commissioners may impose for the protection of the revenue, any of the said duties paid on the importation of any goods shall be repaid, if the Commissioners are satisfied that by virtue of a direction subsequently given under this section subsection (2) thereof applies to the goods.
- (4) Where by virtue of a direction given under this section goods are imported without payment of duty or duty paid on their importation is repaid, and any conditions imposed by or under the direction are not complied with, then (without prejudice to any liability for duty) the goods shall be forfeited.
- (5) The Board of Trade shall not make a recommendation under this section about any goods except on a written application made by the importer before delivery of the goods to him.

12 Amendment of powers to allow drawback

- (1) A scheme under section nine of the Finance Act, 1932, for allowing, in the case of goods of any class or description, a drawback of import duties in respect of any material used in the manufacture of those goods may make provision as follows, that is to say:—
 - (a) instead of providing in accordance with paragraph (b) of subsection (2) of the said section nine for the allowance of drawback in respect either of the quantity of the relevant material actually contained in the goods or of such average quantity of material as is mentioned in that paragraph, the scheme may provide for the allowance of drawback in respect of the quantity of the relevant material actually contained in the goods together with such additional quantity as may be specified in the scheme as being the appropriate allowance for wastage in the manufacture of the goods;
 - (b) the scheme may specify a rate of drawback exceeding the limit imposed by paragraph (c) of the said subsection (2), if the rate specified is such as would not exceed that limit were the limit imposed by reference to the average amount of duty paid in respect, not of all duty-paid material of the relevant class or description, but of such of that material as is used, either by manufacturers generally or by any particular manufacturer, in the manufacture either of all goods of the relevant class or description or of such goods of that class or description as are manufactured for export;
 - (c) instead of specifying a rate of drawback for the relevant material in accordance with the said paragraph (c), the scheme may divide the material into two or more categories (by reference to the duty paid or otherwise) and specify a rate for each category as if it were a separate class or description of material for purposes of the scheme.

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- (2) Any additional quantity specified under paragraph (a) of the foregoing subsection as being the appropriate allowance for wastage shall be fixed as so much per cent. (by the same measure of quantity as is used in fixing the rate of drawback) of the quantity of the relevant material actually contained in the goods, and for the purposes of that paragraph the expression " the appropriate allowance" means the allowance equivalent to the average rate of wastage of the relevant material, either by manufacturers generally or by any particular manufacturer, in the manufacture either of all goods of the relevant class or description or of such goods of that class or description as are manufactured for export.
- (3) Where any such scheme as is mentioned in subsection (1) of this section provides different rates of drawback for different categories of the relevant material in accordance with paragraph (c) of that subsection and, in the manufacture of any goods in the case of which drawback is payable under the scheme, there has been used material of more than one of those categories, then (unless the scheme allows drawback only in respect of the quantity of material actually contained in the goods) the quantity of material in respect of which drawback is payable at each of the rates applicable in the case of those goods shall be arrived at as follows :—
- (a) if the scheme allows drawback in respect of the quantity of the relevant material actually contained in the goods together with such additional quantity as is mentioned in paragraph (a) of subsection (1) of this section, the said additional quantity shall be deemed to be material of the same categories, and in the same proportions, as the relevant material actually contained in the goods (excluding any such material which is not duty paid);
 - (b) if the scheme allows drawback in respect of the average quantity of the relevant material used in manufacture as provided for by paragraph (b) of subsection (2) of the said section nine of the Finance Act, 1932, the quantity in respect of which drawback may be allowed at the rate applicable to any category shall be the quantity of duty-paid material of that category which is shown to the satisfaction of the Commissioners to have been used in the manufacture of the goods, but so that this paragraph shall not affect the total quantity of material in respect of which the drawback may be allowed and, where it would otherwise have that effect, the quantity in respect of which drawback would be payable at a lower rate shall be increased or reduced as the case may require, in preference to the quantity in respect of which it would be payable at a higher rate.
- (4) In subsection (1) of this section the expression " import duties " means any of the following duties of customs, namely—
- (a) the duties chargeable under Part I of the Import Duties Act, 1932;
 - (b) the duties chargeable under section one of the Ottawa Agreements Act, 1932;
 - (c) the new duties chargeable under section nine of the Finance Act, 1933, on silk or artificial silk or articles made wholly or in part of silk or artificial silk;
 - (d) the duties chargeable under the Safeguarding of Industries Act, 1921;
 - (e) the duties chargeable under the Beef and Veal Customs Duties Act, 1937;
- and any reference in this section to section nine of the Finance Act, 1932, shall accordingly include that section as applied by subsequent enactments to the duties mentioned in paragraphs (b) to (e) of this subsection.

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13 Excise licences for tractors, etc.

- (1) The Vehicles (Excise) Act, 1949, shall have effect as if subsection (2) of section four (which sets out the vehicles chargeable with duty at the rates provided for by that section) were amended as directed by the next following subsection of this section, and accordingly read as set out in the Third Schedule to this Act.
- (2) The amendments to be made in the said subsection (2) are as follows—
 - (a) in sub-paragraph (ii) of paragraph (a) the words " in the occupation of the person in whose name the vehicle is registered under this Act" shall be omitted, and after the word " agricultural " there shall be inserted the words " or woodland ";
 - (b) at the end of the said paragraph (a) there shall be added the following sub-paragraphs:—
 - “(iii) for hauling, within fifteen miles of a farm in the occupation of the person in whose name the vehicle is registered under this Act, agricultural or woodland produce of that farm, or agricultural or woodland produce of land occupied with that farm or fuel required for any purpose on that farm or for domestic purposes by persons employed on that farm by the occupier of the farm;
 - (iv) for hauling articles required for a farm by the person in whose name the vehicle is registered under this Act, being either the owner or occupier of the farm or a contractor engaged to do agricultural work on the farm by the owner or occupier of the farm or for hauling articles required by that person for land occupied by him with a farm;
 - (v) for hauling, within fifteen miles of a forestry estate in the occupation of the person in whose name the vehicle is registered under this Act, agricultural or woodland produce of that estate or fuel required for any purpose on that estate or for domestic purposes by persons employed on that estate by the occupier of the estate, or for hauling articles required for such a forestry estate by the occupier of the estate;”
 - (c) paragraph (e) (which specifies the tractors and other vehicles for Which the section provides rates of duty from twelve pounds upwards according to their weight) shall be omitted;
 - (d) in paragraph (f), for the words " the foregoing paragraphs " there shall be substituted the words " paragraphs (a) to (d).
- (3) The rate of duty chargeable under the Vehicles (Excise) Act, 1949, in respect of any such vehicle as is mentioned in paragraph (a), (b), (c) or (d) of subsection (2) of section four of that Act shall be two pounds, and accordingly in the fourth column of the Third Schedule to that Act for the words " 5s. 0d.," wherever they occur, there shall be substituted the words " £2 0s.0d. "
- (4) In subsection (2) of the said section four (and in this subsection)—
 - (a) any reference to a farm shall include a market garden ;
 - (b) any reference to woodland produce includes the wood and other produce of trees which are not woodland trees ;

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- (c) any reference to articles required for a farm, forestry estate or other land shall include articles which are or have been required for doing work on and for the purposes of the farm, forestry estate or other land, except that in the said subsection (2);
 - (i) the reference to articles required for a farm by a contractor engaged to do agricultural work on the farm shall include only articles required for the farm in connection with that work, and
 - (ii) the reference to articles required for land occupied with a farm shall include only articles required for the land in connection with the doing on the land of any agricultural or forestry work (including the getting and carrying away of any woodland produce);
 - (d) any reference to the owner of a farm includes any person having any estate or interest in land comprised in the farm.
- (5) In section two of the Finance Act, 1935 (which disallows rebate on heavy oils used as road fuel for a vehicle as defined in that section), for the definition of " vehicle " in paragraph (d) of subsection (7) there shall be substituted the following definition:—
- “(d) the expression ' vehicle' does not include any such vehicle as is mentioned in paragraph (a), (b), (c) or (d) of subsection (2) of section four of the Vehicles (Excise) Act, 1949, as amended by the Finance Act, 1950 (or as would be mentioned in the said paragraph (a) as so amended if the references therein to the said Act of 1949 included references to the law as to the registration of mechanically propelled vehicles for the time being in force in Northern Ireland), or any vehicle being a road roller.”
- (6) The foregoing provisions of this section shall have effect only as from the beginning of the year nineteen hundred and fifty-one, but the Vehicles (Excise) Act, 1949, and section two of the Finance Act, 1935, shall have, and be deemed to have had, effect as if the periods respectively mentioned—
- (a) in sub-paragraph (1) of paragraph 1 of the Sixth Schedule to the said Act of 1949 (which paragraph makes a temporary extension of the class of agricultural tractors etc. qualifying for a five shilling licence and for oil rebate in Great Britain); and
 - (b) in subsection (4) of section eight of the Finance Act, 1943 (which section has the same effect as respects oil rebate in Northern Ireland);
- ended with the end of the year nineteen hundred and fifty instead of with the end of June in that year.

14 Reduction of full rates of entertainments duty

- (1) Section six of the Finance Act, 1943, shall have effect as if for the rates of duty set out in Part II of the Fifth Schedule to that Act (which sets out the full rates of entertainments duty) there were substituted the rates of duty set out in the Fourth Schedule to this Act.
- (2) This section shall have effect as respects payments for admission to entertainments held on or after the appointed day, and where entertainments duty has been charged on any payment made before that day, and by virtue of this section the duty should have been charged at a lower rate than that at which it was in fact charged, the person by whom the duty was paid shall be entitled to repayment of the amount of the overcharge.

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- (3) In this section the expression " the appointed day " means such day as the Treasury may appoint by order made by statutory instrument.

15 Reduction of entertainments duty in certain cases

- (1) Where an entertainment held after the fifth day of August, nineteen hundred and fifty, would apart from this section be chargeable with entertainments duty at the full rates, but the Commissioners on an application made in such manner as they may direct are satisfied that the entertainment is one to which this section applies, then the entertainments duty chargeable in the case of any payment for admission to the entertainment shall be two-thirds of the duty chargeable in the case of a payment of the same gross amount at the full rate plus one-third of the duty so chargeable at the reduced rate.
- (2) This section applies to any entertainment in the case of which not less than one quarter of the total time taken by the entertainment is taken solely by items such that, had the entertainment consisted only of those items, it would have been chargeable at the reduced rates and that such other conditions (if any) as may be prescribed are satisfied, and which apart from those items consists wholly or mainly of the exhibition of a cinematograph film.
- (3) In this section the following expressions have the following meanings respectively:—
- (a) " full rate " means the rate of entertainments duty according to the scale applicable in cases falling neither within this section nor within subsection (3) of section one of the Finance Act, 1935 (which relates to stage plays etc.) and " reduced rate " means the rate according to the scale applicable in cases which fall within the said subsection (3);
 - (b) " gross amount " means amount inclusive of entertainments duty;
 - (c) " prescribed " means prescribed by regulations made by the Commissioners by statutory instrument.
- (4) Where entertainments duty has been charged on any payment made before the passing of this Act, and by virtue of this section the duty should have been charged at a lower rate than that at which it was in fact charged, the person by whom the duty was paid shall be entitled to repayment of the amount of the overcharge.

16 Extension of s. 1 (3) of Finance Act, 1935

- (1) In subsection (3) of section one of the Finance Act, 1935 (which provides for reduced rates of entertainments duty in the case of stage plays, &c), after the words " variety entertainment," there shall be inserted the words " a puppet or marionette show, ".
- (2) The entertainments chargeable with entertainments duty at reduced rates by virtue of the said subsection (3) shall include any entertainment which would be exempt from entertainments duty by virtue of section eleven of the Finance Act, 1923 (which relates to exhibitions provided by non-profit-making societies), but for the fact that it consists partly of items not falling within paragraph (b) of subsection (1) of that section, if those items are items which fall within the said subsection (3) and in which all the performers whose words or actions constitute the item are actually present and performing.
- (3) This section shall apply to entertainments held after the fifth day of August, nineteen hundred and fifty ; and where entertainments duty has been charged on any payment made before the passing of this Act, and by virtue of this section the duty should have

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been charged at a lower rate than that at which it was in fact charged, the person by whom the duty was paid shall be entitled to repayment of the amount of the overcharge.

17 Pool betting duty

- (1) Without prejudice to subsection (5) of section six of the Finance (No. 2) Act, 1947, or to subsection (2) of section fourteen of the Finance Act, 1948 (which define pool betting for the purposes of the pool betting duty), bets shall be deemed for the purposes of the said section six and of the Fifth Schedule to the said Act of 1947 to be made by way of pool betting whenever a number of persons make bets on the basis that the winners or their winnings shall, to any extent, be at the discretion of the promoter or some other person ; and for the purpose of this section any reference in the enactments relating to the said duty to winnings or to the payment of winnings shall be taken to apply notwithstanding that the winnings take the form wholly or partly of a benefit which is not pecuniary.
- (2) Where a person carries on the business of receiving or negotiating bets, and there is or has been issued in connection with that business any advertisement or other publication calculated to encourage in persons making bets of any description with or through him a belief that the bets are made on the basis aforesaid, then any bets of that description subsequently made with or through him in the course of that business shall be deemed for the purposes of this section to be made on that basis.
- (3) This section shall have effect as respects bets made at any time by reference to any event taking place on or after the first day of August, nineteen hundred and fifty; and paragraph 2 of the Fifth Schedule to the Finance (No. 2) Act, 1947 (which provides for the regulation of pool betting businesses for the purposes of the duty), shall have effect in relation to a person to whom it applies by virtue only of this section with the substitution for references to the twenty-eighth day of December, nineteen hundred and forty-seven, and the fourth day of January, nineteen hundred and forty-eight, respectively of references to the first day and the eighth day of August, nineteen hundred and fifty.

18 Road vehicles and road vehicle chassis (purchase tax)

- (1) As from the nineteenth day of April, nineteen hundred and fifty, the enactments relating to purchase tax shall have, and be deemed to have had, effect as if in Group 35 in Part I of the Eighth Schedule to the Finance Act, 1948, there were omitted the whole of sub-paragraphs (i) to (iii) of paragraph (a), with the exception of the word "First" in the second column, where last occurring.
- (2) As from the first day of July, nineteen hundred and fifty, the said enactments shall have, and be deemed to have had, effect as if there were added—
 - (a) as a new paragraph (d) in the said Group 35 the entry:—

“(d) Road vehicle chassis, mechanically First”;
propelled

- (b) as a new paragraph 5 in the Fourth Schedule to the Finance Act, 1946 (which sets out the classes of goods relevant to the provisions about the application of chargeable processes), the entry:—

“5 Road vehicle chassis, mechanically propelled.”

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- (3) For the purposes of the said enactments a chassis designed for a mechanically propelled vehicle shall be deemed to be mechanically propelled, whether or not complete with an engine and other parts and accessories required for the purpose, and the expression " road vehicle chassis " shall include so much of a chassis-less road vehicle as may be determined by the Commissioners to be in effect chassis, and references to a vehicle's chassis shall be construed accordingly.
- (4) The Fifth Schedule to this Act shall have effect for the purpose of the purchase tax in respect of road vehicle chassis, and for the purpose of adjusting contractual rights in certain cases in relation to purchase tax in respect of road vehicles.
- (5) Subsection (2) of this section may be varied or revoked—
 - (a) in so far as it amends the Eighth Schedule to the Finance Act, 1948, by an order of the Treasury under section twenty-one of that Act;
 - (b) in so far as it amends the Fourth Schedule to the Finance Act, 1946, by an order of the Treasury under section sixteen of that Act;

as if it had been contained in such an order, and an order varying or revoking the said subsection (2) or the said Group 35 may, in connection therewith, vary or revoke any provision of subsection (3) of this section or of Part I of the Fifth Schedule to this Act.

19 Extension of purchase tax exemption for war memorials

Subject to such conditions as they may impose for the protection of the revenue, the Commissioners, upon an application in that behalf made to them whether before or after the coming into force of this section, may remit purchase tax chargeable in respect of an article of furniture, plate or textile material or an ornament, if they are satisfied that the purchase, importation or other act by virtue of which the tax is chargeable was made or done for the purpose of placing the article or ornament in a place of religious worship as a war memorial and that it will be retained therein.