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SCHEDULES

FIFTH SCHEDULE

PURCHASE TAX: SUPPLEMENTARY PROVISIONS AS TO ROAD VEHICLE CHASSIS AND ROAD VEHICLES

PART II

PROVISIONS ADJUSTING CONTRACTUAL RIGHTS IN RELATION TO PURCHASE TAX IN RESPECT OF ROAD VEHICLES

- 1 (1) This Part of this Schedule applies to vehicles of the following description, that is to say:—
- road vehicles constructed or adapted for use for the carriage or haulage of goods or burden of any description not forming part of the vehicle or necessary for its propulsion or equipment, being either mechanically propelled vehicles or vehicles designed for use as components of a composite vehicle which is mechanically propelled, and not being vehicles in respect of which purchase tax has become chargeable nor vehicles of the kinds mentioned in paragraphs (b), (c), (d), (e) and (h) of sub-paragraph (2) of paragraph 3 of Part I of this Schedule;
- but applies to a vehicle of that description only where purchase tax would have become chargeable in respect of it if vehicles of that description had been made chargeable goods as from the first day of May, nineteen hundred and fifty.
- (2) Any reference in this Part of this Schedule to a prospective liability by virtue of this Act to purchase tax shall be taken as a reference to a prospective liability to purchase tax arising from the charge of purchase tax on certain vehicles which was provided for by a resolution passed by the Committee of Ways and Means of the House of Commons on budget day.
- (3) In this Part of this Schedule, the expression " relevant vehicle " means a vehicle to which this Part of this Schedule applies, the expression " budget day " means the eighteenth day of April, nineteen hundred and fifty, and the expression " process of manufacture " has the same meaning as in section sixteen of the Finance Act, 1946.
- 2 Subject to paragraph 5 of this Part of this Schedule, where a relevant vehicle was sold in the course of a business under a purchase made after budget day and before the date of the passing of this Act at a price exceeding the price at which, in the ordinary course of that business, similar vehicles were sold or offered for sale immediately before budget day, the buyer shall be entitled to deduct from the price, or (if he has paid the price) to recover from the seller as money received by him for the use of the buyer, an amount equal to the excess, except in so far as the seller proves that the excess was included in the price by reference to matters other than—
- (a) his prospective liability by virtue of this Act to purchase tax in respect of the vehicle; or

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- (b) any increase attributable to the prospective liability as aforesaid of any other person in the price charged to the seller on a contract made by him after budget day for the purchase of the vehicle or for the application of a process of manufacture resulting in the vehicle.
- 3 Subject as aforesaid, where a relevant vehicle was sold under a purchase made on or before budget day and was delivered under the purchase on or after the first day of May, nineteen hundred and fifty, but before the date of the passing of this Act, and the seller has recovered from the buyer, as an addition to the price, any sum fixed by reference to his prospective liability by virtue of this Act to purchase tax in respect of the vehicle, the buyer shall be entitled to recover that sum from the seller as money received by him for the use of the buyer.
- 4 The two last foregoing paragraphs shall apply where a contract (not being a contract of sale) was made for the application of a process of manufacture resulting in a relevant vehicle, as they would have applied if the contract had been a contract for the sale of the vehicle to the person to whose order the process is applied by the person applying it to his order, but with the substitution—
- (a) in paragraph 2 for the reference to similar vehicles being sold or offered for sale of a reference to contracts for similar operations being made or invited; and
- (b) in paragraph 3 for the reference to the vehicle being delivered of a reference to the process being completed.
- 5 (1) Where, in the case of a relevant vehicle, a transaction giving rise to any such prospective liability to purchase tax as is referred to in the foregoing provisions of this Part of this Schedule was one by reason of which purchase tax is chargeable in respect of the vehicle's chassis, any amount which apart from this paragraph might be deducted or recovered under those provisions as referable to that prospective liability, or to an increase of price attributable to that prospective liability, shall be reduced by the amount of the tax so chargeable.
- (2) A person shall not be entitled to recover under subsection (2) of section twenty-four of the Finance Act, 1948, any tax in respect of which he is entitled to a reduction under the foregoing sub-paragraph.