



Finance Act 1940

1940 CHAPTER 29 3 and 4 Geo 6

PART III.

EXCESS PROFITS TAX AND NATIONAL DEFENCE CONTRIBUTION.

26 Raising of rate of excess profits tax

(1) Section twelve of the Finance (No. 2) Act, 1939, (which charges excess profit tax) shall, in relation to an excess of profits arising in any chargeable accounting period beginning on or after the first day of April, nineteen hundred and forty, have effect as if, in subsection (1) thereof, for the words “equal to three-fifths of the excess” there were substituted the words “equal to the excess”.

[^{F1}(2) Notwithstanding anything in subsection (2) of section fifteen of the said Act, a deficiency of profits occurring in a chargeable accounting period to which subsection (1) of this section applies shall first be applied so as to reduce profits chargeable to tax arising in another chargeable accounting period to which the subsection (1) applies, and a deficiency of profits occurring in a chargeable accounting period to which the said subsection (1) does not apply shall first be applied so as to reduce profits chargeable to tax arising in another chargeable accounting period to which the said subsection (1) does not apply; and where owing to an insufficiency of profits against which the deficiency can be set off for chargeable accounting periods to which the said subsection (1) applies or, as the case may be, does not apply, the whole or any part of a deficiency is applied otherwise than as aforesaid—

- (a) the application shall, either wholly or to such extent as the Commissioners think appropriate, be treated as provisional only; and
- (b) if it thereafter appears that there is no longer such an insufficiency as aforesaid, such adjustments shall be made as the Commissioners may direct]

(3) ^{F2}

Textual Amendments

F1 S. 26(2) substituted by [Finance \(No. 2\) Act 1945 \(c. 13\), s. 29\(2\)](#)

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 1940, Section 26. (See end of Document for details)*

F2 S. 26(3) repealed by Finance Act 1941 (c. 30), s. 52, **Sch. 5**

Modifications etc. (not altering text)

- C1** S. 26 explained by Finance Act 1941 (c. 30), s. 42, **Sch. 4**
- C2** S. 26 restricted by Finance (No. 2) Act 1945 (c. 13), **s. 29(1)**
- C3** S. 26 extended by Finance (No. 2) Act 1945 (c. 13), **s. 33(4)**

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1940, Section 26.