



Finance Act 1942

1942 CHAPTER 21

PART IV

EXCESS PROFITS TAX AND NATIONAL DEFENCE CONTRIBUTION.

36 Continuation of the national defence contribution.

- (1) The national defence contribution shall continue to be charged until such date as Parliament may hereafter determine, and accordingly the enactments referred to in the Ninth Schedule to this Act shall be amended in the manner specified in that Schedule.
- (2) In this and in any other Act, the expression " the years of charge to the national defence contribution " means the period beginning with the first day of April, nineteen hundred and thirty-seven, and ending with the date determined by Parliament which is referred to in subsection (1) of this section.

37 Amendment of s. 28 of Finance Act, 1941.

The following subsection shall be substituted for subsection (1) of section twenty-eight of the Finance Act, 1941 :—

- “(1) After the termination of hostilities in the present war, there shall be ascertained and recorded, as respects every person who has paid any excess profits tax for any of the periods in respect of which the tax is chargeable at the rate of a hundred per cent. the amount (if any) by which the total sum paid by him by way of excess profits tax and the national defence contribution (less any sum repaid or repayable on account of any deficiency of profits or otherwise) would have been decreased if the rate of excess profits tax had been eighty per cent. in respect of all those periods, and the amount so ascertained and recorded as aforesaid shall, if such conditions as Parliament may hereafter-determine are satisfied (being conditions relating to the distribution, application or capitalisation of profits for the benefit of shareholders, whether by the payment of dividends, by the issue of bonus shares, or debentures, or by any other means whatsoever), be repaid at such date as Parliament may hereafter determine :

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Provided that, in ascertaining the said amount, the capital employed in the trade or business shall be computed on the basis that the rate of tax during the said periods was a hundred per cent.”

38 Exemption from tax of interest on tax reserve certificates.

Neither excess profits tax nor the national defence contribution shall be chargeable in respect of the interest on tax reserve certificates issued by the Treasury.

39 Successions and amalgamations.

The right of appeal to the Board of Referees conferred by the proviso to subsection (4) of section thirty-eight of the Finance Act, 1940 (which subsection enables the Commissioners to modify the enactments relating to the computation, for, the purposes of excess profits tax, of profits and capital in certain cases of succession or amalgamation) shall extend to cases where the Commissioners refuse to make any modification requested by the person carrying on the trade or business, and accordingly for the said proviso the following proviso shall be substituted :—

“Provided that if the Commissioners make any such modifications and the person carrying on the trade or business is dissatisfied with the modifications so made, or if the Commissioners refuse to make any modification requested by the person carrying on the trade or business and he is dissatisfied with the refusal, he may appeal to the Board of Referees.”

40 Amendments of s. 18 (1) of Finance Act, 1941, to apply to excess profits tax and national defence contribution.

It is hereby declared that the provisions of Part III of this Act as to the certification for the purposes of subsection (1) of section eighteen of the Finance Act, 1941, of arrangements for the concentration of industry or business in the hands of fewer persons have effect also for the purposes of section thirty-seven of that Act (which relates to the treatment for purposes of excess profits tax of trades and businesses affected by arrangements to which the said section eighteen applies) and for the purposes of the said section thirty-seven as applied by section forty-three of that Act to the national defence contribution.

41 Part IV to be retrospective.

The enactments relating to excess profits tax and the national defence contribution shall be deemed always to have had effect as amended and extended by this Part of this Act.