



# Finance Act 1942

## 1942 CHAPTER 21

### PART III

#### INCOME TAX.

- 31 Exemption from income tax of accumulated interest, on certain Ulster, colonial and other savings certificates.**
- (1) Subject to the provisions of this section, the accumulated interest payable in respect of such savings certificates as are mentioned in subsection (2) of this section shall be exempt from income tax.
  - (2) The said savings certificates are such savings certificates issued by the Government of Northern Ireland or of any colony as are declared by regulations made by the Treasury to be certificates the proceeds of the sale of which have been made available to His Majesty's Government in the United Kingdom.
  - (3) The exemption from income tax provided for by this section shall not extend to the interest on any certificate unless the person beneficially entitled to that certificate when it was issued was then resident—
    - (a) in the case of a certificate issued by the Government of Northern Ireland, in Northern Ireland ;
    - (b) in the case of a certificate issued in a colony, in that colony or in such neighbouring territory (if any) as may be prescribed in relation to that colony.
  - (4) If, at the date of the encashment of any such certificates, the total savings certificate holding of the person beneficially entitled to the certificates encashed, computed in the prescribed manner, exceeds the prescribed limit, the said exemption—
    - (a) shall not extend to the interest on the encashed certificates unless the encashment thereof brings the total savings certificate holding of the said person, computed as aforesaid, below the prescribed limit; and
    - (b) shall then extend only to the interest on so much of the encashed certificates as is equal to the amount by which the said total holding, so computed, is brought by the encashment below the prescribed limit.

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*Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

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In this subsection the expression " the total savings, certificate holding " means, in relation to a person, his total holding of such certificates as are mentioned in subsection (2) of this section and savings certificates issued by the Treasury through the Post Office.

- (5) This section shall apply in relation to any protectorate or protected state or any territory in respect of which a mandate from the League of Nations has been accepted by His Majesty and is being exercised by His Majesty's Government in the United Kingdom as it applies in relation to a colony; and in this section the expression " prescribed " means prescribed by regulations made by the Treasury.
- (6) Nothing in this section shall deprive any person of any exemption from income tax under subsection (2) of section twenty-eight of the Finance Act, 1922 (which exempts from income tax interest on Ulster savings certificates held by a person resident and domiciled in Northern Ireland).