



# Finance (No. 2) Act 1945

## 1945 CHAPTER 13

### PART II

#### INCOME TAX.

- 21 Application of Rules 19 and 21 of the General Rules to interest, etc., payable by local authorities.**
- (1) Subject to the provisions of this section, in determining for the purpose of Rules 19 and 21 of the General Rules whether any sum payable by a local authority is payable wholly out of profits or gains brought into charge to tax, all profits or gains of the authority for the year of assessment in question shall, notwithstanding any restriction imposed by law upon the application of moneys belonging to the authority, be treated as being available for the payment of any sums to which those Rules apply which fall to be paid by the authority.
- (2) Subject to the provisions of this section, where, in any year of assessment, a local authority occupy any land and any tax for that year under Schedule A in respect thereof is, or apart from the said Rules would be, ultimately borne by them, there shall be deemed for the purposes of those Rules to be available to them for that year for the payment of any sums to which those Rules apply which fall to be paid by them an amount equal to the net amount on which tax is or would be borne by them as aforesaid.
- (3) Where any sum—
- has been or is to be reimbursed to a local authority by the Crown or by any other person; or
  - is taken into account in computing deficiency which the Crown or any other person is under a legal obligation to make good to a local authority; or
  - is charged to capital,
- profits or gains which, apart from the provisions of this section, would not have been treated as available for the payment of that sum shall not be so treated by virtue of this section:

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*Status: This is the original version (as it was originally enacted).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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Provided that where any sum taken into account in computing such a deficiency as aforesaid exceeds the amount of the deficiency, this subsection shall not prevent profits or gains from being treated as available for the payment of the excess.

- (4) In this section, the expression " local authority "—
- (a) in relation to England, means any authority being, within the meaning of the Local Loans Act, 1875, an authority having power to levy a rate, and includes any joint board or joint committee all the constituent members of which are such authorities as aforesaid;
  - (b) in relation to Scotland, means any county council, town council, or district council, or any other authority within the meaning of the Local Authorities Loans (Scotland) Act, 1891, and includes any joint board or joint committee which is appointed under any enactment, order or scheme, and of which all the constituent authorities are such local authorities as aforesaid; and
  - (c) in relation to Northern Ireland, means the council of any county, county or other borough, urban or rural district, a board of guardians, the commissioners of a town, an education authority, and any committee or board appointed wholly or partly by a county or district council or board of guardians, or by several such councils or boards jointly:

Provided that, for the purposes of this section the Mayor and commonalty and citizens of the City of London and the Common Council of the City of London shall be deemed to be one local authority.

- (5) The preceding provisions of this section shall have effect as respects the year 1944-45 and all subsequent years of assessment.
- (6) Rule 6 of the Miscellaneous Rules applicable to Schedule D (which provides for charging the proper officer with the tax payable on any interest of money charged on any rates or assessments not chargeable as profits) is hereby repealed.