
 S T A T U T O R Y I N S T R U M E N T S

1985 No. 1696

INCOME TAX

**The Income Tax (Composite Rate) (Prescribed Deposit-takers)
Order 1985**

<i>Made</i>	- - - - -	<i>6th November 1985</i>
<i>Laid before the House of Commons</i>		<i>7th November 1985</i>
<i>Coming into Operation</i>		<i>6th April 1986</i>

The Treasury in exercise of the powers conferred on them by paragraph 2 of Schedule 8 to the Finance Act 1984(a) hereby make the following Order:—

1. This Order may be cited as the Income Tax (Composite Rate) (Prescribed Deposit-takers) Order 1985 and shall come into operation on 6 April 1986.

2. The following persons and classes of persons are prescribed deposit-takers for the purposes of paragraph 2(1)(f) of Schedule 8 to the Finance Act 1984 in respect of deposits received in the ordinary course of their businesses or activities, apart from any sums borrowed on or before 18 November 1984, under terms (whether as originally agreed or as varied, but as they have effect on that date) under which the earliest date for any repayment is after 5 April 1986:—

- (a) local authorities in England and Wales (except parish and community councils) within the meaning of the Local Government Act 1972(b);
- (b) the Common Council of the City of London;
- (c) the Council of the Isles of Scilly;
- (d) Letchworth Garden City Corporation;
- (e) any new authority or residuary body within the meaning of the Local Government Act 1985(c);
- (f) local authorities in Scotland within the meaning of the Local Government (Scotland) Act 1973(d);
- (g) district councils in Northern Ireland within the meaning of the Local Government Act (Northern Ireland) 1972(e).

Donald Thompson,
Tim Sainsbury,
Two of the Lords Commissioners
of Her Majesty's Treasury.

6th November 1985.

(a) 1984 c. 43; Schedule 8 was amended by section 38 of the Finance Act 1985 (c. 54).

(b) 1972 c. 70.

(c) 1985 c. 51.

(d) 1973 c. 65.

(e) 1972 c. 9(NI).

EXPLANATORY NOTE

(This Note is not part of the Order.)

By section 27 of and Schedule 8 to the Finance Act 1984 a scheme was established for interest paid by "deposit-takers" to be paid net after deducting tax at "the composite rate" (for 1985-86 25.25%), and accounting for it to the Inland Revenue. The Act prescribed certain banks and deposit-taking bodies as "deposit-takers" and provided by Schedule 8 paragraph 1(f) for other deposit-takers to be brought into the scheme by Treasury Order. By this Order local authorities (excepting parish and community councils) are prescribed for that purpose.

Regulation 1 provides the title and commencement date.

Regulation 2 prescribes the local authorities and the kinds of loans made by them to which the scheme is to apply.

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