



# Provisional Collection of Taxes Act 1968

## 1968 CHAPTER 2

An Act to consolidate the Provisional Collection of Taxes Act 1913 and certain other enactments relating to the provisional collection of taxes or matters connected therewith. [1st February 1968]

### 1 Temporary statutory effect of House of Commons resolutions affecting income tax, purchase tax or customs or excise duties.

- (1) This section applies only to income tax [<sup>F1</sup>capital gains tax, [<sup>F2</sup>corporation tax <sup>F3</sup>... [<sup>F4</sup>, the bank levy][<sup>F5</sup>diverted profits tax,][<sup>F6</sup>the apprenticeship levy,][<sup>F7</sup>digital services tax,][<sup>F8</sup>multinational top-up tax,][<sup>F9</sup>domestic top-up tax,][<sup>F10</sup>plastic packaging tax,][<sup>F11</sup>value added tax][<sup>F12</sup>, climate change levy,][<sup>F13</sup>insurance premium tax,][<sup>F14</sup>landfill tax,][<sup>F15</sup>aggregates levy,][<sup>F16</sup>soft drinks industry levy, [<sup>F17</sup>petroleum revenue tax][<sup>F18</sup>, carbon emissions tax,][<sup>F19</sup>stamp duty reserve tax][<sup>F20</sup>stamp duty land tax,][<sup>F21</sup>annual tax on enveloped dwellings,]<sup>F22</sup>... <sup>F23</sup>... <sup>F24</sup>... <sup>F25</sup>... and duties of customs and excise

<sup>F26</sup>(1A) .....

- (2) Subject to that, and to the provisions of subsections (4) to [<sup>F27</sup>(9)] below, where the House of Commons passes a resolution which—

- (a) provides for the renewal for a further period of any tax in force or imposed during the previous financial year (whether at the same or a different rate, and whether with or without modifications) or for the variation or abolition of any existing tax, and
- (b) contains a declaration that it is expedient in the public interest that the resolution should have statutory effect under the provisions of this Act,

the resolution shall, for the period specified in the next following subsection, have statutory effect as if contained in an Act of Parliament and, where the resolution provides for the renewal of a tax, all enactments which were in force with reference to that tax as last imposed by Act of Parliament shall during that period have full force and effect with respect to the tax as renewed by the resolution.

In this section references to the renewal of a tax include references to its reimposition, and references to the abolition of a tax include references to its repeal.

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[<sup>F28</sup>(3) The period is one expiring at the end of seven months after the date on which the resolution is expressed to take effect or, if no such date is expressed, after the date on which the resolution is passed.]

<sup>F29</sup>(3A) .....

(4) A resolution shall cease to have statutory effect under this section unless within the next [<sup>F30</sup>thirty] days on which the House of Commons sits after the day on which the resolution is passed—

- (a) a Bill renewing, varying or, as the case may be, abolishing the tax is read a second time by the House, or
- (b) a Bill is amended by the House [<sup>F31</sup>in committee or on Report, or by any [<sup>F32</sup>Public Bill Committee] of the House] so as to include provision for the renewal, variation or, as the case may be, abolition of the tax.

(5) A resolution shall also cease to have statutory effect under this section if—

- (a) the provisions giving effect to it are rejected during the passage of the Bill containing them through the House, or
- (b) an Act comes into operation renewing, varying or, as the case may be, abolishing the tax, or
- (c) Parliament is dissolved <sup>F33</sup>.... [<sup>F34</sup>, or
- (d) Parliament is prorogued.]

[<sup>F35</sup>(5A) Subsection (5B) applies in relation to a resolution instead of subsection (5)(d) where Parliament is prorogued at the end of a session if—

- (a) one of the following happens during the session—
  - (i) a Bill renewing, varying or, as the case may be, abolishing the tax is read a first time by the House, or
  - (ii) a Bill is amended by the House in Committee or on Report or by any Public Bill Committee of the House so as to include provision for the renewal, variation or, as the case may be, abolition of the tax,
- (b) the Standing Orders or Sessional Orders of the House provide, or during the session the House orders, that proceedings on the Bill not completed before the end of the session shall be resumed in the next session, and
- (c) proceedings on the Bill are not completed during the session.

(5B) The resolution shall cease to have statutory effect under this section if, during the period of thirty sitting days beginning with the first sitting day of the next session, no Bill renewing, varying or, as the case may be, abolishing the tax is presented to the House.

(5C) In subsection (5B) “ sitting day ” means a day on which the House sits.

(5D) Where a Bill is amended as mentioned in subsection (5A)(a)(ii), it does not matter for the purposes of subsection (5A)(b) if the House orders as mentioned in subsection (5A)(b) before the amendment to the Bill is made.]

(6) Where, in the case of a resolution providing for the renewal or variation of a tax, the resolution ceases to have statutory effect by virtue of subsection [<sup>F36</sup>(4), (5) or (5B)] above, or the period specified in subsection (3) above terminates, before an Act comes into operation renewing or varying the tax, any money paid in pursuance of the resolution shall be repaid or made good, and any deduction made in pursuance of the resolution shall be deemed to be an unauthorised deduction.

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- (7) Where any tax as renewed or varied by a resolution is modified by the Act renewing or varying the tax, any money paid in pursuance of the resolution which would not have been payable under the new conditions affecting the tax shall be repaid or made good, and any deduction made in pursuance of the resolution shall, so far as it would not have been authorised under the new conditions affecting the tax, be deemed to be an unauthorised deduction.
- (8) When during any session a resolution has had statutory effect under this section, statutory effect shall not be again given under this section in the same session to the same resolution or to a resolution having the same effect.
- [<sup>F37</sup>(9) Subsection (8) does not apply where the later resolution is passed in a different calendar year from that in which the earlier resolution is passed.]

#### Textual Amendments

- F1** Words in s. 1(1) inserted (15.9.2016) by [Finance Act 2016 \(c. 24\), s. 92](#)
- F2** Words in s. 1(1) inserted (27.7.1993) with application in relation to resolutions passed after that day) by [1993 c. 34, s. 205\(2\)\(a\)\(7\)](#).
- F3** Words in s. 1(1) repealed (31.7.1998 with effect in relation to distributions made on or after 6.4.1999) by [1998 c. 36, ss. 31, 165, Sch. 3 para. 1\(2\)\(3\), Sch. 27 Pt. III\(2\)](#)
- F4** Words in s. 1(1) inserted (19.7.2011) by [Finance Act 2011 \(c. 11\), Sch. 19 para. 56](#)
- F5** Words in s. 1(1) inserted (with effect in accordance with s. 116(1) of the amending Act) by [Finance Act 2015 \(c. 11\), s. 115\(5\)](#)
- F6** Words in s. 1(1) inserted (15.9.2016) by [Finance Act 2016 \(c. 24\), s. 116](#) (with s. 117)
- F7** Words in s. 1(1) inserted (22.7.2020) by [Finance Act 2020 \(c. 14\), Sch. 10 para. 1](#)
- F8** Words in [s. 1\(1\)](#) inserted (31.12.2023 in relation to accounting periods commencing on or after that date) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 264, Sch. 14 para. 68\(1\)](#)
- F9** Words in [s. 1\(1\)](#) inserted (31.12.2023 in relation to accounting periods commencing on or after that date) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 278, Sch. 18 para. 7\(1\)](#)
- F10** Words in s. 1(1) inserted (10.12.20121 for specified purposes; 1.4.2022 in so far as not already in force and with effect in accordance with [s. 85\(1\)\(b\)](#) of the amending Act) by [Finance Act 2021 \(c. 26\), s. 85\(1\)\(a\), Sch. 15 para. 9; S.I. 2021/1409, regs. 3, 4](#)
- F11** Words inserted by [Value Added Tax Act 1983 \(c. 55, SIF 40:2\), s. 50, Sch. 9 para. 1](#)
- F12** Words in s. 1(1) inserted (28.7.2000) by [2000 c. 17, s. 30, Sch. 7 para. 1](#)
- F13** Words in s. 1(1) inserted (3.5.1994) by [1994 c. 9, s. 64, Sch. 7 Pt. VI para. 33](#)
- F14** Words in s. 1(1) inserted (31.7.1998) by [1998 c. 36, s. 148\(1\)](#)
- F15** Words in s. 1(1) inserted (11.5.2001) by [2001 c. 9, s. 49\(1\)](#)
- F16** Words in s. 1(1) inserted (6.4.2018) by [Finance Act 2017 \(c. 10\), ss. 58, 61\(1\); S.I. 2018/464, art. 2\(e\)](#)
- F17** Words inserted by [Oil Taxation Act 1975 \(c. 22, SIF 63:1\), s. 11](#)
- F18** Words in s. 1(1) inserted (23.7.2020 for specified purposes) by [Finance Act 2019 \(c. 1\), ss. 76\(1\), 79\(1\); 2020 c. 14, Sch. 12 para. 8\(2\)](#)
- F19** Words inserted by [Finance Act 1986 \(c. 41, SIF 99:7\), s. 86\(3\)](#)
- F20** Words in s. 1(1) inserted (10.7.2003) by [Finance Act 2003 \(c. 14\), Sch. 18 para. 1](#)
- F21** Words in s. 1(1) inserted (17.7.2013) by [Finance Act 2013 \(c. 29\), Sch. 35 para. 1](#)
- F22** The entry which was inserted by [Finance Act 1972 \(c. 41, SIF 99:3\), s. 1\(5\)](#) fell on the repeal of s. 1(5) by [Value Added Tax Act 1983 \(c.55, SIF 40:2\), s. 50\(2\), Sch. 11](#)
- F23** Words in s. 1(1) (which were inserted by [Car Tax Act 1983 \(c. 53\), s.10\(1\)](#)) repealed (27.7.1993 with application in relation to resolutions passed after that day) by [1993 c. 34, ss. 205\(2\)\(b\)\(7\), 213, Sch. 23 Pt. VI](#).
- F24** The entry which was inserted by [Finance Act 1972 \(c. 41, SIF 99:3\), s. 52\(7\), Sch. 7 para. 2\(4\)](#) fell on the repeal of that Schedule 7 by [Car Tax Act 1983 \(c.53, SIF 40:2\), s. 10\(4\), Sch. 3](#)
- F25** Words repealed by [Finance Act 1972 \(c. 41, SIF 99:3\), s. 134, Sch. 28 Pt. I](#)

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- F26** S. 1(1A) repealed (27.7.1993 with application in relation to resolutions passed after that day) by 1993 c. 34, ss. 205(3)(7), 213, **Sch. 23 Pt. VI**; s. 1(1A) repealed to the extent that it is not already repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), **Sch. 1 Pt. 10** Group 1.
- F27** Word in s. 1(2) substituted (30.12.2011) by Finance Act 2011 (c. 11), **s. 88(2)(9)** (with s. 88(10)); S.I. 2011/2934, art. 2
- F28** S. 1(3) substituted (30.12.2011) by Finance Act 2011 (c. 11), **s. 88(3)(9)** (with s. 88(10)); S.I. 2011/2934, art. 2
- F29** S. 1(3A) omitted (17.7.2014) by virtue of Finance Act 2014 (c. 26), **Sch. 38 para. 13**
- F30** Word in s. 1(4) substituted (27.7.1993 with application in relation to resolutions passed after that day) by 1993 c. 34, **s. 205(5)(7)**.
- F31** Words added by Finance Act 1968 (c. 44), **s. 60**
- F32** Words in s. 1(4)(b) substituted (19.7.2007) by Finance Act 2007 (c. 11), **s. 112(1)**
- F33** Words in s. 1(5)(c) omitted (30.12.2011) by virtue of Finance Act 2011 (c. 11), **s. 88(4)(a)(9)** (with s. 88(10)); S.I. 2011/2934, art. 2
- F34** S. 1(5)(d) and word inserted (30.12.2011) by Finance Act 2011 (c. 11), **s. 88(4)(b)(9)** (with s. 88(10)); S.I. 2011/2934, art. 2
- F35** S. 1(5A)-(5D) inserted (30.12.2011) by Finance Act 2011 (c. 11), **s. 88(5)(9)** (with s. 88(10)); S.I. 2011/2934, art. 2
- F36** Words in s. 1(6) substituted (30.12.2011) by Finance Act 2011 (c. 11), **s. 88(6)(9)** (with s. 88(10)); S.I. 2011/2934, art. 2
- F37** S. 1(9) inserted (30.12.2011) by Finance Act 2011 (c. 11), **s. 88(7)(9)** (with s. 88(11)); S.I. 2011/2934, art. 2

#### Modifications etc. (not altering text)

- C1** S. 1 extended by Finance Act 1982 (c. 39, SIF 63:1), **s. 139(5)** and by Finance Act 1986 (c. 41, SIF 99:7), **s. 86(3)**
- C2** S. 1(1) modified (temp.) (with effect in accordance with **Sch. 10 para. 43** of the amending Act) by Finance Act 2022 (c. 3), **Sch. 10 para. 39** (as amended (5.1.2023) by The Finance Act 2022, Schedule 10 (Public Interest Business Protection Tax) (Substitution of Date) Regulations 2022 (S.I. 2022/1321), reg. 2(2))
- C3** S. 1(2)(b) applied (6.5.1999) by 1998 c. 46, **s. 73(5)** (with s. 126(3)-(11))
- C4** S. 1(6)(7) modified by Value Added Tax Act 1983 (c. 55, SIF 40:2), **s. 43(1)**
- C5** S. 1(6)(7) modified (1.9.1994) by 1994 c. 23, ss. **90(1)(b)**, 101(1)  
S. 1(6)(7) modified (31.7.1998) by 1998 c. 36, **s. 148(2)(b)**

## 2 Payments and deductions made on account, and before renewal, of any temporary tax within s. 1.

- (1) Any payment or deduction made on account of a temporary tax to which section 1 above applies and within one month after the date of its expiry shall, if the payment or deduction would have been a legal payment or deduction if the tax had not expired, be deemed to be a legal payment or deduction, subject to the condition that—
- (a) if a resolution for the renewal or reimposition of the tax is not passed by the House of Commons within that month, or such a resolution is passed within that month but ceases to have statutory effect under the said section 1, any money so paid or deducted shall be repaid or made good, and
  - (b) if the tax is ultimately renewed or reimposed at a different rate, or with modifications, any amount paid or deducted which could not properly have been paid or deducted under the new conditions affecting the tax shall be repaid or made good.

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- (2) In this section “temporary tax” means a tax which has been imposed, or renewed or reimposed, for a limited period not exceeding eighteen months, and was in force or imposed during the previous financial year.

**Modifications etc. (not altering text)**

- C6** S. 2 applied with modifications by [Income and Corporation Taxes Act 1970 \(c. 10\)](#), s. 522  
**C7** S. 2 applied (with modifications) by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 822(2)

**3 Customs and excise: provisions for securing duties under resolutions not having statutory effect.**

- (1) The following provisions of this section shall have effect where the House of Commons passes a resolution providing for the imposition as from a specified date of any duty of customs or excise, not being a resolution to which statutory effect can be given under section 1 of this Act.
- (2) If the duty so imposed is a duty of customs, the Commissioners may require any person who, on or after the specified date, imports or clears from warehouse any goods to which the resolution applies to give security that he will, if and when an Act giving effect to the resolution comes into operation, pay the duty chargeable in respect of the goods under that Act.
- (3) If the duty is a duty of excise, the Commissioners may make regulations for the purpose of securing the payment of such duty as may by law become chargeable in the event of an Act giving effect to the resolution coming into operation, and may by those regulations apply to the duty and to any trade or business in connection with which the duty may become chargeable and to any person carrying on, or premises used for the purpose of, that trade or business any provision of [<sup>F38</sup>the revenue trade provisions of the customs and excise Acts].
- (4) If any person contravenes or fails to comply with regulations made under this section, he shall be liable to a penalty of [<sup>F39</sup>level 3 on the standard scale], and any goods in respect of which the offence was committed shall be liable to forfeiture.
- (5) This and the next following section shall be construed as one with [<sup>F38</sup>the <sup>M1</sup>Customs and Excise Management Act 1979].

**Textual Amendments**

- F38** Words substituted by [Customs and Excise Management Act 1979 \(c. 2\)](#), [Sch. 4](#)  
**F39** Words substituted by virtue of (E.W.) [Criminal Justice Act 1982 \(c. 48, SIF 39:1\)](#), ss. 38, 46, (S.) [Criminal Procedure \(Scotland\) Act 1975 \(c. 21, SIF 39:1\)](#), ss. 289F, 289G and (N.I.) by S.I. 1984/703 (N.I. 3), arts. 5, 6

**Marginal Citations**

- M1** [1979 c. 2](#).

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#### **4 Customs and excise: alteration of rate of drawback where rate of duty altered by resolution having statutory effect.**

Where the rate of any [<sup>F40</sup>duty of excise] is altered by any resolution of the House of Commons having statutory effect, and any Bill which has been introduced into the House to give effect to that resolution provides for an alteration of the rate of drawback to be allowed in respect of that duty, then, so long as the resolution continues to have statutory effect, drawback shall be allowed in accordance with the rate provided in the Bill, subject to any necessary adjustment in case the rate of drawback as enacted by Parliament differs from the rate provided in the Bill.

##### **Textual Amendments**

**F40** Words substituted by [Customs and Excise Management Act 1979 \(c. 2\), Sch. 4](#)

#### **5 House of Commons resolution giving provisional effect to motions affecting taxation.**

- (1) This section shall apply if the House of Commons resolves that provisional statutory effect shall be given to one or more motions to be moved by the Chancellor of the Exchequer, or some other Minister, and which, if agreed to by the House, would be resolutions—
  - (a) to which statutory effect could be given under section 1 of this Act, or
  - (b) to which section 3 of this Act could be applied, <sup>F41</sup> . . .
  - <sup>F41</sup>(c) . . . . .
- (2) Subject to subsection (3) below, on the passing of the resolution under subsection (1) above, sections 1 to 3 of this Act [<sup>F42</sup> [<sup>F43</sup> and section 822 of the Income and Corporation Taxes Act 1988] (over-deductions from preference dividends before passing of annual Act)] shall apply as if each motion to which the resolution applies had then been agreed to by a resolution of the House.
- (3) Subsection (2) above shall cease to apply to a motion if that motion, or a motion containing the same proposals with modifications, is not agreed to by a resolution of the House (in this section referred to as “a confirmatory resolution”) within the next ten days on which the House sits after the resolution under subsection (1) above is passed, and, if it ceases to apply, all such adjustments, whether by way of discharge or repayment of tax, or discharge of security, or otherwise, shall be made as may be necessary to restore the position to what it would have been if subsection (2) above had never applied to that motion, and to make good any deductions which have become unauthorised deductions.
- (4) The enactments specified in subsection (2) above shall have effect as if—
  - (a) any confirmatory resolution passed within the said period of ten sitting days had been passed when the resolution under subsection (1) above was passed, and
  - (b) everything done in pursuance of the said subsection (2) by reference to the motion to which the confirmatory resolution relates had been done by reference to the confirmatory resolution,
 but any necessary adjustments shall be made, whether by way of discharge or repayment of tax, or modification of the terms of any security, or further assessment,

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or otherwise, where the proposals in the confirmatory resolution are not the same as those in the original motion to which that resolution relates.

Textual Amendments

- F41** S. 5(1)(c) and word "or" immediately preceding it repealed (27.7.1993 with application in relation to resolutions passed after that day) by 1993 c. 34, ss. 205(6)(a)(7), 213, **Sch. 23 Pt.VI**.
- F42** Words substituted by **Income and Corporation Taxes Act 1988** (c. 1, SIF 63:1), s. 844, **Sch. 29 para. 32**
- F43** Words in s. 5(2) substituted (27.7.1993 with application in relation to resolutions passed after that day) by 1993 c. 34, **s. 205(6)(b)(7)**.

Modifications etc. (not altering text)

- C8** S. 5(3) modified by **Value Added Tax Act 1983** (c. 55, SIF 40:2), **s. 43(1)**
- C9** S. 5(3) modified (1.9.1994) by 1994 c. 23, **ss. 90(1)(b)**, 101(1)  
S. 5(3) modified (31.7.1998) by 1998 c. 36, **s. 148(2)(b)**

6 Short title, repeals and saving as respects Northern Ireland.

- (1) This Act may be cited as the Provisional Collection of Taxes Act 1968.
- (2) The enactments specified in the Schedule to this Act are hereby repealed to the extent mentioned in the third column of that Schedule.
- (3) ..... **F44**

Textual Amendments

- F44** S. 6(3) repealed by **Northern Ireland Constitution Act 1973**

Modifications etc. (not altering text)

- C10** The text of S. 6(2), Sch. is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

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SCHEDULE

Section 6.

REPEALS.

Modifications etc. (not altering text)

**C11** The text of S. 6(2), Sch. is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Chapter	Short Title	Extent of Repeal
3 & 4 Geo. 5. c.3	The Provisional Collection of Taxes Act 1913.	The whole Act.
15 & 16 Geo. 6. & 1 Eliz. 2. c.44	The Customs and Excise Act 1952.	Sections 265 and 269.
5 & 6 Eliz. 2. c.49.	The Finance Act 1957.	Section 9.
1967 c.54.	The Finance Act 1967.	Sections 41, except subsection (5), and 42. In Schedule 16, Part IX.



**Changes to legislation:**

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