



Finance Act 1971

1971 CHAPTER 68

PART I

CUSTOMS AND EXCISE

1 Relief from import duty for goods of developing countries

- (1) With a view to granting concessions in respect of import duty chargeable on goods of countries claiming to be developing countries, the Treasury, on the recommendation of the Secretary of State, may by order provide for relieving goods of any description specified in the order, being goods of such countries or of countries within such area as may be so specified, from the whole or part of any import duty which would otherwise be chargeable on them.
- (2) An order under subsection (1) of this section may make different provision in relation to goods of different descriptions and goods of different countries, and any relief from import duty specified in such an order—
 - (a) may be granted, varied or revoked for any period or periods, whether continuous or not, or without limit of period;
 - (b) may be made subject to conditions as to the place from which the goods are consigned to the United Kingdom; and
 - (c) may be determined by reference to value or to weight or other measure of quantity.
- (3) Subsections (1) and (2) of this section shall be construed, and the Import Duties Act 1958 shall have effect, as if those subsections were included in that Act, and in section 13(4) of that Act (statutory instruments containing orders restricting relief etc., to be subject to affirmative resolution) after the words “of this Act” there shall be inserted the words “or section 1(1) of the Finance Act 1971”.
- (4) At the end of Schedule 3 to the Import Duties Act 1958 (which lists descriptions of goods in respect of which, subject to certain specified conditions, orders may be made providing for relief from import duty) there shall be added the following paragraph—

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- “10 Articles consisting wholly or mainly of cotton or silk, or of a combination of the two, and of a description specified in the order may be relieved from import duty if—
- (a) certified, as provided by the order, to be handloom goods of a country claiming to be a developing country or to be manufactured in such a country from handloom goods of that country; and
 - (b) certified by the Secretary of State to be imported in accordance with arrangements made between Her Majesty's Government in the United Kingdom and the government of that country.”

2 Temporary relief from import duty for certain Commonwealth textiles

Schedule 3 to the Import Duties Act 1958 (which lists descriptions of goods in respect of which, subject to certain specified conditions, orders may be made providing for relief from import duty) shall be amended by adding the following paragraph after that added by section 1(4) of this Act—

- “11 The following goods, that is to say, cotton yarn and manufactures of woven cotton, may be relieved from import duty if—
- (a) they are goods of the Commonwealth preference area, and
 - (b) they are imported on or after 1st January 1972 under the authority of an import licence which restricts the quantity of goods which may be imported thereunder, and
 - (c) the Secretary of State certifies that he is satisfied that they were exported from their country of origin before the said 1st January, and
 - (d) import duty would not have been chargeable on them if they had been imported on 31st December 1971.”

3 Excise duty on gas for use as fuel for road vehicles

- (1) A duty of excise shall be charged on gas (as defined in this section) which is sent out from the premises of a person producing or dealing in gas and on which the duty charged by this section has not been paid.
- (2) The like duty of excise shall be charged on the setting aside for use, or on the use, by any person, as fuel in a road vehicle, of gas on which the duty charged by this section has not been paid.
- (3) The rate of the duty under this section shall be prescribed by order made by the Treasury, and in exercising their power under this subsection the Treasury shall select the rate (whether for all gas or for a particular kind of gas) which in their opinion is for the time being the nearest convenient and suitable rate corresponding to the rate of excise duty on hydrocarbon oil.

In comparing the excise duty with that on hydrocarbon oil account shall be taken of relative average calorific values and of other relevant factors.

- (4) An order made under subsection (3) above—
 - (a) may express the rate of duty by reference to any method of measuring the gas,
 - (b) may prescribe different rates for different kinds of gas,

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- (c) may prescribe a rate which depends in whole or in part on the rate for the time being of excise duty charged on hydrocarbon oil,
 - (d) may be varied or revoked by a subsequent order so made.
- (5) At the end of section 8(2)(c) of the Finance Act 1964 (separate categories of duties for surcharge and rebate under section 9 of Finance Act 1961) insert “and gas as road fuel”.
- (6) The Commissioners may, with a view to the protection of the revenue, make regulations for securing and collecting the excise duty, and in particular for any of the matters set out below in this subsection.
1. Prohibiting the production of gas, and dealing in gas on which the excise duty has not been paid, except by persons holding a licence.
 2. Fixing the date of expiration of any such licence.
 3. Regulating the production, dealing in, storage and warehousing of gas and the removal of gas to and from premises used therefor.
 4. Requiring containers for gas to be marked in the manner prescribed by the regulations.
 5. Conferring power to require information relating to the supply or use of gas and containers for gas to be given by producers of and dealers in gas, and by the person owning or possessing or for the time being in charge of any road vehicle which is constructed or adapted to use gas as fuel.
 6. Requiring a person owning or possessing a road vehicle which is constructed or adapted to use gas as fuel to keep such accounts and records in such manner as may be prescribed, and to preserve such books and documents relating to the supply of gas to or by him, or the use of gas by him, for such period as may be prescribed.
 7. Requiring the production of books or documents relating to the supply or use of gas or the use of any road vehicle.
 8. Authorising the entry and inspection of premises (other than private dwelling-houses) and the examination of road vehicles, and authorising, or requiring the giving of facilities for, the inspection of gas found on any premises entered or on or in any road vehicle.
- (7) A person who—
- (a) contravenes or fails to comply with any regulations made under this section, or
 - (b) uses as fuel in, or takes as fuel into, a road vehicle any gas on which he knows or has reasonable cause (to believe that the excise duty has not been paid,
- shall be liable to a penalty of three times the value of the goods in respect of which the offence was committed or £100, whichever is the greater, and the goods shall be liable to forfeiture.
- (8) In this section—
- “the excise duty ” means excise duty chargeable under this section;
 - “gas ” means any substance which is gaseous at a temperature of 60 degrees Fahrenheit, and under a pressure of one atmosphere, and which is for use as fuel in road vehicles;
 - “road vehicle ” means a vehicle constructed or adapted for use on roads, other than any road vehicle of a kind specified in Schedule 1 to the Hydrocarbon Oil (Customs & Excise) Act 1971 (vehicles in which heavy oil may be used without repayment of rebate).

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- (9) For the purposes of this section and of any other enactment in the excise Acts, so far as it relates to the excise duty—
- (a) gas shall be deemed to be used as fuel in a road vehicle if, but only if, it is used as fuel for the engine provided for propelling the vehicle, or for an engine which draws its fuel from the same supply as that engine, and
 - (b) gas shall be deemed to be taken into a road vehicle as fuel if, but only if, it is taken into it as part of that supply.
- (10) This section shall come into force on such date as the Treasury may by order appoint, but subsection (2) above shall not apply to gas delivered to, or in the stock of, the person otherwise chargeable if it was delivered to, or stocked by, him before that date.
- (11) Any order made under this section shall be contained in a statutory instrument and shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament.
- (12) This section shall be construed as one with the Hydrocarbon Oil (Customs & Excise) Act 1971.

4 Remission of purchase tax on exported vehicles

- (1) In section 23 of the Purchase Tax Act 1963 (remission of purchase tax on exported vehicles) after subsection (1) insert the following subsection—
- “(2) This subsection has effect as respects a mechanically propelled vehicle manufactured outside the United Kingdom, and sold in the United Kingdom by a person who is appointed by the manufacturer to be the sole selling agent in the United Kingdom for vehicles manufactured by that manufacturer, and who is registered.
- Where it is shown to the satisfaction of the Commissioners that a person who acquires such a mechanically propelled vehicle from the said sole selling agent is resident in the United Kingdom, but is about to become resident outside the United Kingdom, the Commissioners may, subject to such conditions as they may think necessary for the protection of the revenue, remit any tax which would otherwise be payable in respect of the vehicle by the said sole selling agent.”
- (2) Where tax is remitted under the said section 23(2), section 9 of the Finance Act 1967 (enforcement of conditions attached to remission of tax) shall have effect in relation to that subsection as it has effect in relation to section 23(1) of the Purchase Tax Act 1963, but with the substitution for any reference to the manufacturer of a reference to the said sole selling agent.
- (3) Nothing in section 6 of the Vehicles (Excise) Act 1971 (exemption of vehicles excise duty) shall apply in relation to purchase tax remitted under the subsection added by this section to the said section 23.
- (4) Nothing in this section shall apply in relation to a vehicle acquired from the said sole selling agent before the passing of this Act.

5 Purchase tax-exercise of functions of Commissioners with respect to registration, etc.

The functions conferred on the Commissioners of Customs and Excise by section 6 of the Purchase Tax Act 1963 (registration, etc., of wholesalers, manufacturers and others) shall be exercisable, and, together with the corresponding functions conferred on the Commissioners by the enactments repealed by that Act, treated as having always been exercisable, by any officer of customs and excise.

6 Agricultural machines-vehicles excise duty and customs and excise duty

- (1) For the purposes of Schedule 3 to the Vehicles (Excise) Act 1971 (annual rates of duty on tractors, etc.) a mechanically propelled vehicle shall not be within the term “tractor” where used in the definition of “agricultural machine” in paragraph 2 of that Schedule, unless it is—
- (a) designed and constructed primarily for use otherwise than on roads, and
 - (b) incapable by reason of its construction of exceeding a speed of twenty-five miles per hour on the level under its own power.

This subsection shall come into force on 1st September 1971, but shall not affect the rate of duty chargeable on a licence taken out before that date.

- (2) As from the said 1st September, in Schedule 1 to the Hydrocarbon Oil (Customs & Excise) Act 1971 (vehicles in which heavy oil may be used without repayment of rebate)—
- (a) the reference in paragraph 2(b) to the said Schedule 3 shall be construed as a reference to that Schedule as amended by subsection (1) above, and
 - (b) the reference to an agricultural machine in paragraph 3(b) shall not include any vehicle which does not satisfy the conditions specified in paragraphs (a) and (b) of section 6(1) of the Finance Act (Northern Ireland) 1971 (which makes provision corresponding to that made by subsection (1) above).

7 Disabled passengers-vehicles excise duty

A mechanically propelled vehicle fitted with controls enabling it to be driven by persons having a particular disability or a vehicle specifically and extensively adapted for use by persons having a particular disability that so incapacitates them in the use of their limbs that they have to be driven and cared for by a full-time constant attendant and registered in the name of such a disabled person under the Vehicles (Excise) Act 1971 shall not be chargeable with any duty under that Act by reason of its use by or for the purposes of that disabled person or by reason of its being kept for such use where—

- (a) he caused the controls to be fitted to the vehicle and obtained in respect of the cost thereby incurred a grant paid by the Secretary of State out of moneys provided by Parliament; or
- (b) whether or not he caused the controls to be fitted to the vehicle his disability is of a kind in the case of which grants in respect of the fitting of such controls are so paid;
- (c) conspicuous and permanent adaptations have been carried out on the vehicle to make it suitable for the transport of the disabled person by his or her constant attendant as driver and where the disabled person is sufficiently disabled to be eligible under the National Health Service Act 1946 and the

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Health Services and Public Health Act 1968 for an invalid tricycle but too disabled to drive it,

and where regulations under section 23 of the Vehicles (Excise) Act 1971 requires a person to furnish particulars as to a vehicle exempted from duty by this section, they may require him to furnish in addition such evidence of the facts giving rise to the exemption as is prescribed by the regulations.

8 **Bingo duty amendments**

- (1) Section 3 of the Finance Act 1969 (which imposes a duty of excise on the playing of bingo) shall be amended by omitting from the definition of “bingo” in subsection (10) (under which the term covers all versions of bingo except one whose rules permit a player to withdraw any part of his initial stake after the game has begun) all the words from “except” onwards.

This subsection has effect as from 13th April 1971.

- (2) The following paragraphs shall be inserted in Schedule 9 to the said Act of 1969 after paragraph 4 (which exempts bingo from duty if played at an entertainment promoted otherwise than for private gain and in compliance with conditions which include a limit of 50p on a player's payment at the entertainment and one of £50 on the prizes thereat, and which treats two or more entertainments as one in certain circumstances)—

“4A Where a series of entertainments is held otherwise than as mentioned at the end of paragraph 4 above—

- (a) sub-paragraphs (a) to (d) of that paragraph shall have effect separately in relation to each entertainment in the series, whether some or all of the persons taking part in any one of those entertainments are thereby qualified to take part in any other of them or not, and
- (b) if each of the persons taking part in the bingo played at the final entertainment of the series is qualified to do so by reason of having taken part in the bingo played at another entertainment of the series held on a previous day, sub-paragraph (b) of that paragraph shall have effect in relation to that final entertainment as if for the words “fifty pounds” there were substituted the words “one hundred pounds”.

4B The Commissioners may by order made by statutory instrument provide that, in relation to entertainments held on or after the date on which the order comes into operation, paragraphs 4 and 4A above shall have effect as if, for such one or more of the following sums as may be specified in the order, that is to say—

- (a) the sum of fifty new pence referred to in paragraph 4(a),
 - (b) the sum of fifty pounds referred to in paragraph 4(b) and paragraph 4A(b), and
 - (c) the sum of one hundred pounds referred to in paragraph 4A(b),
- there were substituted such larger sum as is specified in the order.

Any statutory instrument containing an order under this paragraph shall be subject to annulment in pursuance of a resolution of the House of Commons.”

9 Pool betting duty

In the proviso to section 7(2) of the Finance Act 1964 (exemption from pool betting duty of voluntary contributions to charities and certain other bodies)—

- (a) after the words “by virtue of this subsection ” there shall be inserted the words “or of section 1(5) of that Act ”, and
- (b) for the words from “which are made ” to “cannot be made ” there shall be substituted the words “made by persons making bets and those persons know, when making the payments, that their purpose is to provide the benefit ”.

10 Gaming licence duty in Scotland

- (1) For the purpose of determining the amount of the duty chargeable under section 2 of the Finance Act 1970 on a gaming licence in respect of premises in Scotland for a period beginning after 30th September 1971 but before 1st April 1973 the rateable value of any lands and heritages shall be ascertained in accordance with the following provisions of this section in any case where a rateable value is shown for them in the valuation roll for the time being in force and either a lower value or no value was shown for them in the valuation roll for the year 1970-71.
- (2) Where the rateable value of any lands and heritages falls to be ascertained in accordance with this section, then,—
 - (a) if a rateable value was shown for them in the valuation roll for the year 1970-71, their rateable value shall be taken to be the value so shown, but subject to paragraph (b) of this subsection ;
 - (b) if, since the valuation roll for the year 1970-71 was made up, there has been a material change of circumstances affecting the value of the lands and heritages, their rateable value shall be taken to be the value determined under this section as the rateable value that would have been shown for them in that valuation roll if the change had been given effect to in making up that roll;
 - (c) if no value was shown for the lands and heritages in the valuation roll for the year 1970-71, their rateable value shall be taken to be the value determined under this section as the value that would have been so shown if, at the time of the valuation for the purposes of that roll, the premises in respect of which the licence is to be granted had been in existence and all relevant circumstances had been the same as at the time the value of the lands and heritages is determined under this section.
- (3) Any determination under this section shall be made by the Commissioners after consultation with the assessor appointed under the Valuation and Rating (Scotland) Act 1956 for the valuation area concerned ; but the person to whom the licence is to be or has been granted may, by notice in writing given to the Commissioners not later than four weeks after the date on which the determination is notified to him, require the determination to be referred to the arbitration of a referee appointed by the Lord President of the Court of Session, whose decision shall be final and conclusive.
- (4) A person appointed under the preceding subsection shall not be an officer of any Government department.
- (5) If the amount of duty chargeable is reduced in consequence of a decision of a referee appointed under this section, any amount overpaid shall be repaid.
- (6) In this section “the year 1970-71 ” shall be construed in accordance with section 26 of the Local Government (Financial Provisions) (Scotland) Act 1963 and “material

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change of circumstances ” has the meaning assigned to it by section 9(7) of the Valuation and Rating (Scotland) Act 1956.

11 Customs procedures, etc.

The provisions of Schedule 1 to this Act shall have effect, being provisions relating to customs procedures in connection with, and other matters concerning, goods for exportation and persons concerned in the exportation of goods, goods shipped for use as stores and warehoused goods, and to associated matters; and in that Schedule “the Act of 1952” means the Customs and Excise Act 1952.

12 Continuation of powers under section 9 of Finance Act 1961

The period after which orders of the Treasury under section 9 of the Finance Act 1961 may not be made or continue in force (which, by section 10 of the Finance Act 1970, was extended until the end of August 1971) shall extend until the end of August 1972 or such later date as Parliament may hereafter determine.