



Finance Act 1990

1990 CHAPTER 29

PART I

CUSTOMS AND EXCISE AND VALUE ADDED TAX

CHAPTER I

CUSTOMS AND EXCISE

Rates of duty

1 Spirits, beer, wine, made-wine and cider.

- (1) In section 5 of the ^{M1}Alcoholic Liquor Duties Act 1979 (spirits) for “£15.77” there shall be substituted “ £17.35 ”.
- (2) In section 36 of that Act (beer) for “£0.90” there shall be substituted “ £0.97 ”.
- (3) For the Table of rates of duty in Schedule 1 to that Act (wine and made-wine) there shall be substituted the Table in Schedule 1 to this Act.
- (4) In section 62(1) of that Act (cider) for “£17.33” there shall be substituted “ £18.66 ”.
- (5) This section shall be deemed to have come into force at 6 o’clock in the evening of 20th March 1990.

Marginal Citations

M1 1979 c. 4.

Status: Point in time view as at 01/04/2009.

Changes to legislation: Finance Act 1990 is up to date with all changes known to be in force on or before 02 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

2 Tobacco products.

(1) For the Table in Schedule 1 to the ^{M2}Tobacco Products Duty Act 1979 there shall be substituted—

“ TABLE

1. Cigarettes	An amount equal to 21 per cent. of the retail price plus £34.91 per thousand cigarettes.
2. Cigars	£53.67 per kilogram.
3. Hand-rolling tobacco	£56.63 per kilogram.
4. Other smoking tobacco and chewing tobacco	£24.95 per kilogram.”

(2) This section shall be deemed to have come into force on 23rd March 1990.

Marginal Citations

M2 1979 c. 7.

3 Hydrocarbon oil.

(1) In section 6 of the ^{M3}Hydrocarbon Oil Duties Act 1979—

- (a) in subsection (1), for “£0.2044” (duty on light oil) and “£0.1729” (duty on heavy oil) there shall be substituted “ £0.2248 ” and “ £0.1902 ” respectively; and
- (b) subsection (2A) (special rate of duty on petrol below 4 star) shall cease to have effect.

(2) In section 11(1) of that Act, for “£0.0077” (rebate on fuel oil) and “£0.0110” (rebate on gas oil) there shall be substituted “ £0.0083 ” and “ £0.0118 ” respectively.

(3) In section 13A(1) of that Act (rebate on unleaded petrol), for “£0.0272” there shall be substituted “ £0.0299 ”.

(4) In section 14(1) of that Act (rebate on light oil for use as furnace fuel), for “£0.0077” there shall be substituted “ £0.0083 ”.

^{F1}(5)

(6) Subsections (1) to (4) above shall be deemed to have come into force at 6 o’clock in the evening of 20th March 1990.

Textual Amendments

F1 S. 3(5) omitted (1.11.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 6 paras. 8\(b\)](#), 21

Marginal Citations

M3 1979 c. 5.

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4 Pool betting duty.

- (1) In section 7(1) of the ^{M4}Betting and Gaming Duties Act 1981 (which specifies 42½ per cent. as the rate of pool betting duty), for the words “42½ per cent.” there shall be substituted the words “40 per cent.”.
- (2) This section shall apply in relation to bets made at any time by reference to an event taking place on or after 6th April 1990.

Marginal Citations

M4 1981 c. 63.

5 Vehicles excise duty.

- F2(1)
- F2(2)
- F2(3)
- F3(4)
- F4(5)
- F3(6)
- F5(7)
- F2(8)
- F2(9)

Textual Amendments

- F2 S. 5(1)-(3)(8)(9) repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4), Sch. 4 para. 6)
- F3 S. 5(4)(6) repealed(1.10.1991) by Finance Act 1991 (c. 31, SIF 107:2), ss. 10, 123, **Sch. 19 Pt. IV**; S.I. 1991/2021, **art. 2**.
- F4 S. 5(5) repealed (8.11.1993) by S.I. 1993/2452, art. 3, **Sch. 2**.
- F5 S. 5(7) repealed (27.07.1993) by 1993 c. 34, s. 213, **Sch. 23**, Pt. I.

Other provisions

- F6

Textual Amendments

- F6 S. 6 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4), Sch. 4 para. 6)

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7 Entry of goods on importation.

Schedule 3 to this Act (which amends the provisions of the ^{M5}Customs and Excise Management Act 1979 about initial and supplementary entries and postponed entry) shall have effect in relation to goods imported on or after the day on which this Act is passed.

Marginal Citations
M5 1979 c. 2.

F78 Spirits methylated abroad.

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Textual Amendments
F7 S. 8 repealed (1.7.2005) by Finance Act 1995 (c. 4), s. 5(6), Sch. 29 Pt. I(3); S.I. 2005/1523, art. 2 (with art. 3)

9 Lodgings for officers in charge of distillery.

In section 12 of the Alcoholic Liquor Duties Act 1979 (licence to manufacture spirits) subsections (6) to (9) (requirement that distiller provide lodgings for officers in charge of distillery) shall cease to have effect.

CHAPTER II

VALUE ADDED TAX

F810

Textual Amendments
F8 Ss. 10-16 repealed (1.9.1994) by 1994 c. 23, ss. 100(2), 101(1), Sch. 15

F911

Textual Amendments
F9 Ss. 10-16 repealed (1.9.1994) by 1994 c. 23, ss. 100(2), 101(1), Sch. 15

F1012

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Textual Amendments

F10 Ss. 10-16 repealed (1.9.1994) by 1994 c. 23, ss. 100(2), 101(1), **Sch. 15**

^{F11} **13**

Textual Amendments

F11 Ss. 10-16 repealed (1.9.1994) by 1994 c. 23, ss. 100(2), 101(1), **Sch. 15**

^{F12} **14**

Textual Amendments

F12 Ss. 10-16 repealed (1.9.1994) by 1994 c. 23, ss. 100(2), 101(1), **Sch. 15**

^{F13} **15**

Textual Amendments

F13 Ss. 10-16 repealed (1.9.1994) by 1994 c. 23, ss. 100(2), 101(1), **Sch. 15**

^{F14} **16**

Textual Amendments

F14 Ss. 10-16 repealed (1.9.1994) by 1994 c. 23, ss. 100(2), 101(1), **Sch. 15**

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Income tax rates and allowances

^{F15} **17** **Rates and main allowances.**
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Status: Point in time view as at 01/04/2009.

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Textual Amendments

F15 S. 17 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

^{F16}18 Relief for blind persons.

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Textual Amendments

F16 S. 18 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

Corporation tax rates

19 Charge and rate of corporation tax for 1990.

Corporation tax shall be charged for the financial year 1990 at the rate of 35 per cent.

Modifications etc. (not altering text)

C1 S. 19 excluded by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), **s. 23(1)**.

20 Small companies.

- (1) For the financial year 1990—
 - (a) the small companies' rate shall be 25 per cent., and
 - (b) the fraction mentioned in section 13(2) of the Taxes Act 1988 (marginal relief for small companies) shall be one-fortieth.
- (2) In section 13(3) of that Act (limits of marginal relief), in paragraphs (a) and (b)—
 - (a) for “£150,000” there shall be substituted “ £200,000 ”, and
 - (b) for “£750,000” there shall be substituted “ £1,000,000 ”.
- (3) Subsection (2) above shall have effect for the financial year 1990 and subsequent financial years; and where by virtue of that subsection section 13 of the Taxes Act 1988 has effect with different relevant maximum amounts in relation to different parts of a company's accounting period, then for the purposes of that section those parts shall be treated as if they were separate accounting periods and the profits and basic profits of the company for that period shall be apportioned between those parts.

Modifications etc. (not altering text)

C2 S. 20 excluded by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), **s. 23(2)**.

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Benefits in kind

F17 21 Care for children.

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Textual Amendments

F17 S. 21 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, Sch. 8 Pt. 1** (with Sch. 7)

22 Car benefits.

(1) In Schedule 6 to the Taxes Act 1988 (taxation of directors and others in respect of cars) for Part I (tables of flat rate cash equivalents) there shall be substituted—

“PART I

TABLES OF FLAT RATE CASH EQUIVALENTS

Table A

CARS WITH AN ORIGINAL MARKET VALUE UP TO £19,250 AND HAVING A CYLINDER CAPACITY

<i>Cylinder capacity of car in cubic centimetres</i>	<i>Age of car at end of relevant year of assessment</i>	
	<i>Under 4 years</i>	<i>4 years or more</i>
1400 or less	£1,700	£1,150
More than 1400 but not more than 2000	£2,200	£1,500
More than 2000	£3,550	£2,350

Table B

CARS WITH AN ORIGINAL MARKET VALUE UP TO £19,250 AND NOT HAVING A CYLINDER CAPACITY

<i>Original market value of car</i>	<i>Age of car at end of relevant year of assessment</i>	
	<i>Under 4 years</i>	<i>4 years or more</i>
Less than £6,000	£1,700	£1,150
£6,000 or more but less than £8,500	£2,200	£1,500
£8,500 or more but not more than £19,250	£3,550	£2,350

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Table C

CARS WITH AN ORIGINAL MARKET VALUE OF MORE THAN £19,250

<i>Original market value of car</i>	<i>Age of car at end of relevant year of assessment</i>	
	<i>Under 4 years</i>	<i>4 years or more</i>
More than £19,250 but not more than £29,000	£4,600	£3,100
More than £29,000	£7,400	£4,900”

(2) This section shall have effect for the year 1990-91 and subsequent years of assessment.

Mileage allowances

F18²³

Textual Amendments

F18 [S. 23](#) repealed (11.5.2001 with effect for the year 2002-03 and subsequent years of assessment) by [2001 c. 9, s. 110, Sch. 33 Pt. 2\(1\)](#)

Charities

F19²⁴

Textual Amendments

F19 [S. 24](#) repealed (27.07.1993 with effect for the year 1993-94 and subsequent years of assessment) by [1993 c. 34, s. 213, Sch. 23 Pt. III.](#)

25 Donations to charity by individuals.

- F20**(1)
- F20**(2)
- F20**(3)
- F20**(3A)
- F20**(4)
- F20**(5)
- F20**(5A)
- F20**(5B)

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- F20(5C)
- F20(5D)
- F20(5E)
- F20(5F)
- F20(5G)
- F20(5H)
- F20(5I)
- F20(5J)
- F20(6)
- F20(7)
- F20(8)
- F20(9)
- F20(9A)

(10) The receipt by a [F21charitable company] of a gift which is a qualifying donation [F22for the purposes of Chapter 2 of Part 8 of the Income Tax Act 2007 (gift aid)] shall be treated for the purposes of the [F23Corporation Tax Acts], in their application to the [F21charitable company], as the receipt, under deduction of income tax at the basic rate for the relevant year of assessment, of an annual payment of an amount equal to the grossed up amount of the gift.

[F24(10A) Schedule 19 to the Finance Act 2008 contains provision for transitional payments to charitable companies in respect of gifts made in the tax years 2008-09 to 2010-11.]

F25(11)

(12) For the purposes of this section—

(a) “[F26charitable company]” has the same meaning as in section 506 of the Taxes Act 1988 and includes each of the bodies mentioned in section 507 of that Act;

F27(b)

(c) “relevant year of assessment”, in relation to a gift, means the year of assessment in which the gift is made;

(d) references, in relation to a gift, to the grossed up amount are to the amount which after deducting income tax at the basic rate for the relevant year of assessment leaves the amount of the gift; F27 . . .

F27(e)

F28(13)

Textual Amendments

F20 S. 25(1)-(9A) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), Sch. 1 para. 284(2), **Sch. 3 Pt. 1** (with [Sch. 2 para. 98](#))

F21 Words in s. 25(10) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 284(3)(a)** (with [Sch. 2 para. 98](#))

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- F22** Words in s. 25(10) inserted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 284(3)(b)** (with [Sch. 2 para. 98](#))
- F23** Words in s. 25(10) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 284(3)(c)** (with [Sch. 2 para. 98](#))
- F24** S. 25(10A) inserted (21.7.2008) by [Finance Act 2008 \(c. 9\)](#), **Sch. 19 para. 8**
- F25** S. 25(11) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 284(2), Sch. 3 Pt. 1** (with [Sch. 2 para. 98](#))
- F26** Words in s. 25(12)(a) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 284(4)** (with [Sch. 2 para. 98](#))
- F27** S. 25(12)(b)(e) and the word “and” immediately preceding paragraph (e) repealed (28.7.2000 with effect as mentioned in [s. 39\(10\)](#) of the amending Act) by 2000 c. 17, ss. 39(7), 156, **Sch. 40 Pt. II(1)** note 4
- F28** S. 25(13) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 284(2), Sch. 3 Pt. 1** (with [Sch. 2 para. 98](#))

Modifications etc. (not altering text)

- C3** S. 25 modified (31.7.1998) by [1998 c. 36, s. 48\(1\)\(4\)](#)
 S. 25 applied (31.7.1998) by [1998 c. 36, s. 48\(1\)\(10\)](#)
- C4** S. 25 modified (with effect as mentioned in s. 98(6) of the modifying Act) by [Finance Act 2002 \(c. 23\), s. 98\(1\)-\(5\)](#);
 S. 25 modified (with effect as mentioned in s. 58(4) of the modifying Act) by [Finance Act 2002 \(c. 23\), s. 58\(1\), Sch. 18 Pt. 3 para. 9\(1\)](#)

26 Company donations to charity.

- (1) Section 339 of the Taxes Act 1988 (charges on income: donations to charity) shall be amended as follows.
- (2) In subsection (1) after the word “payment” there shall be inserted the words “ of a sum of money ”.
- (3) In subsection (2) the words “and is not a close company” shall be omitted.
- (4) The following subsections shall be inserted after subsection (3)—
 - “(3A) A payment made by a close company is not a qualifying donation if it is of a sum which leaves less than £600 after deducting income tax under subsection (3) above.
 - (3B) A payment made by a close company is not a qualifying donation if—
 - (a) it is made subject to a condition as to repayment, or
 - (b) the company or a connected person receives a benefit in consequence of making it and either the relevant value in relation to the payment exceeds two and a half per cent. of the amount given after deducting tax under section 339(3) or the amount to be taken into account for the purposes of this paragraph in relation to the payment exceeds £250.
 - (3C) For the purposes of subsections (3B) above and (3D) below, the relevant value in relation to a payment to a charity is—
 - (a) where there is one benefit received in consequence of making it which is received by the company or a connected person, the value of that benefit;

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- (b) where there is more than one benefit received in consequence of making it which is received by the company or a connected person, the aggregate value of all the benefits received in consequence of making it which are received by the company or a connected person.
- (3D) The amount to be taken into account for the purposes of subsection (3B)(b) above in relation to a payment to a charity is an amount equal to the aggregate of—
 - (a) the relevant value in relation to the payment, and
 - (b) the relevant value in relation to each payment already made to the charity by the company in the accounting period in which the payment is made which is a qualifying donation within the meaning of this section.
- (3E) A payment made by a close company is not a qualifying donation if it is conditional on, or associated with, or part of an arrangement involving, the acquisition of property by the charity, otherwise than by way of gift, from the company or a connected person.
- (3F) A payment made by a company is not a qualifying donation unless the company gives to the charity to which the payment is made a certificate in such form as the Board may prescribe and containing—
 - (a) in the case of any company, a statement to the effect that the payment is one out of which the company has deducted tax under subsection (3) above, and
 - (b) in the case of a close company, a statement to the effect that the payment satisfies the requirements of subsections (3A) to (3E) above.
- (3G) A payment made by a company is not a qualifying donation if the company is itself a charity.”
- (5) The following subsection shall be inserted after subsection (7)—

“(7A) In subsections (3B) to (3E) above references to a connected person are to a person connected with—
 - (a) the company, or
 - (b) a person connected with the company;and section 839 applies for the purposes of this subsection.”
- (6) This section applies in relation to payments made on or after 1st October 1990.

27 Maximum qualifying company donations.

- ^{F29}(1)
- (2) In section 339 of that Act (charges on income: donations to charity) subsection (5) shall be omitted and in subsection (9) for “(5)” there shall be substituted “ (4) ”.
- ^{F29}(3)
- (4) This section applies in relation to accounting periods ending on or after 1st October 1990.

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Textual Amendments

F29 S. 27(1)(3) repealed (for accounting periods beginning on or after 19.03.1991) by Finance Act 1991 (c. 31, SIF 63:1), s. 123, **Sch. 19 Pt.V** Note 5.

Savings

28 Tax-exempt special savings accounts.

^{F30}(1)

^{F30}(2)

^{F31F30}(3)

Textual Amendments

F30 S. 28(1)-(3) repealed (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), **Sch. 3** (with Sch. 2)

F31 S. 28(3) repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), s. 290, **Sch.12** (with ss. 60, 101, 201(3), Sch. 11 paras. 22, 26(2), 27).

^{F32}**29 Extension of SAYE.**

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Textual Amendments

F32 S. 29 repealed (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), **Sch. 3** (with Sch. 2)

30 Building societies.

Schedule 5 to this Act (which contains provisions relating to building societies, deposit-takers and investors) shall have effect.

Employee share ownership trusts

^{F33}**31**

Textual Amendments

F33 Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), s. 290, **Sch.12** (with ss. 60, 101, 201(3), Sch. 11 paras. 22, 26(2), 27).

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F34 **32**

Textual Amendments

F34 Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), s. 290, **Sch.12** (with ss. 60, 101, 201(3), Sch. 11 paras. 22, 26(2), 27).

F35 **33**

Textual Amendments

F35 Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), s. 290 **Sch.12** (with ss. 60, 101, 201(3), Sch. 11 paras. 22, 26(2), 27).

F36 **34**

Textual Amendments

F36 Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), s. 290, **Sch.12** (with ss. 60, 101, 201(3), Sch. 11 paras. 22, 26(2), 27).

F37 **35**

Textual Amendments

F37 Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), s. 290, **Sch. 12** (with ss. 60, 101, 201(3), Sch. 11 paras. 22, 26(2), 27).

F38 **36**

Textual Amendments

F38 Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), s. 290, **Sch.12** (with ss. 60, 101, 201(3), Sch. 11 paras. 20,22, 26(2), 27).

F39 **37**

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Textual Amendments

F39 Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, [Sch.12](#) (with ss. 60, 101, 201(3), [Sch. 11 paras. 22, 26\(2\), 27](#)).

^{F40}**38**

Textual Amendments

F40 Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, [Sch.12](#) (with ss. 60, 101, 201(3), [Sch. 11 paras. 22, 26\(2\), 27](#)).

^{F41}**39**

Textual Amendments

F41 Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, [Sch.12](#) (with ss. 60, 101, 201(3), [Sch. 11 paras. 22, 26\(2\), 27](#)).

^{F42}**40**

Textual Amendments

F42 Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, [Sch.12](#) (with ss. 60, 101, 201(3), [Sch. 11 paras. 22, 26\(2\), 27](#)).

Insurance companies and friendly societies

41 Apportionment of income etc.

Schedule 6 to this Act (which makes provision about the apportionment of income etc. and related provision) shall have effect.

42 Overseas life assurance business.

Schedule 7 to this Act (which makes provision about the taxation of overseas life assurance business) shall have effect.

^{F43}**43 Deduction for policy holders' tax.**

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Textual Amendments

F43 S. 43 repealed (with effect in accordance with Sch. 43 Pt. 3(12) Note 1 of the amending Act) by Finance Act 2003 (c. 14), **Sch. 43 Pt. 3(12)**

F44 44 Reinsurance commissions.

Textual Amendments

F44 S. 44 repealed (with effect in accordance with s. 42 of the amending Act) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 2(3)**

45 Policy holders’ share of profits etc.

- (1) In section 88 of the Finance Act 1989 (corporation tax: policy holders’ fraction of profits), in subsection (1) for the words “the policy holders’ fraction of its relevant profits for any accounting period shall” there shall be substituted the words—
 - “(a) the policy holders’ share of the relevant profits for any accounting period, or
 - (b) where the business is mutual business, the whole of those profitsshall”.
- (2) In subsection (4) of that section, for the word “fraction” there shall be substituted the word “share”, and after the words “that period” there shall be inserted the words “, or where the business is mutual business the whole of those profits,”.
- (3) For section 89 of that Act (which defines the shareholders’ and policy holders’ fractions) there shall be substituted—

“89 Policy holders’ share of profits.

- (1) The references in section 88 above to the policy holders’ share of the relevant profits for an accounting period of a company carrying on life assurance business are references to the amount arrived at by deducting from those profits the Case I profits of the company for the period in respect of the business, reduced in accordance with subsection (2) below.
- (2) For the purposes of subsection (1) above, the Case I profits for a period shall be reduced by—
 - (a) the amount, so far as unrelieved, of any franked investment income arising in the period as respects which the company has made an election under section 438(6) of the Taxes Act 1988, and
 - (b) the shareholders’ share of any other unrelieved franked investment income arising in the period from investments held in connection with the business.
- (3) For the purposes of this section “the shareholders’ share” in relation to any income is so much of the income as is represented by the fraction

Status: Point in time view as at 01/04/2009.

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$$\frac{A}{B}$$

where—

A is an amount equal to the Case I profits of the company for the period in question in respect of its life assurance business, and

B is an amount equal to the excess of the company's relevant non-premium income and relevant gains over its relevant expenses and relevant interest for the period.

- (4) Where there is no such excess as is mentioned in subsection (3) above, or where the Case I profits are greater than any excess, the whole of the income shall be the shareholders' share; and (subject to that) where there are no Case I profits, none of the income shall be the shareholders' share.
- (5) In subsection (3) above the references to the relevant non-premium income, relevant gains, relevant expenses and relevant interest of a company for an accounting period are references respectively to the following items as brought into account for the period, so far as referable to the company's life assurance business,—
- (a) the company's investment income from the assets of its long-term business fund together with its other income, apart from premiums;
 - (b) any increase in the value (whether realised or not) of those assets;
 - (c) expenses payable by the company;
 - (d) interest payable by the company;
- and if for any period there is a reduction in the value referred to in paragraph (b) above (as brought into account for the period), that reduction shall be taken into account as an expense of the period.
- (6) Except in so far as regulations made by the Treasury otherwise provide, in this section "brought into account" means brought into account in the revenue account prepared for the purposes of the Insurance Companies Act 1982; and where the company's period of account does not coincide with the accounting period, any reference to an amount brought into account for the accounting period is a reference to the corresponding amount brought into account for the period of account in which the accounting period is comprised, proportionately reduced to reflect the length of the accounting period as compared with the length of the period of account.
- (7) In this section "Case I profits" means profits computed in accordance with the provisions of the Taxes Act 1988 applicable to Case I of Schedule D.
- (8) For the purposes of this section franked investment income is "unrelieved" if—
- (a) it has not been excluded from charge to tax by virtue of any provision,
 - (b) no tax credit comprised in it has been paid, and
 - (c) no relief has been allowed against it by deduction or set-off."

- (4) In subsection (3) of section 434 of the Taxes Act 1988 (franked investment income etc.)—

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- (a) for the words “policy holders’ fraction” in both places where they occur there shall be substituted the words “ policy holders’ share ”;
- (b) in paragraph (a), after the word “income” there shall be inserted the words “ from investments held in connection with the company’s life assurance business ”;
- (c) in paragraph (b), for the words “only to the shareholders’ fraction of that income” there shall be substituted the words “ to that income excluding the amount within paragraph (a) above ”.

F45(5)

F46(6)

(7) After subsection (6) of that section there shall be inserted—

“(6A) For the purposes of this section—

- (a) “the policy holders’ share” of any franked investment income is so much of that income as is not the shareholders’ share within the meaning of section 89 of the Finance Act 1989, and
- (b) “the policy holders’ share of the relevant profits” has the same meaning as in section 88 of that Act.”

F47(8)

F48(9)

(10) The ^{M6}Finance Act 1989 shall be deemed always to have had effect with the amendments made by subsections (1) to (3) above, and the amendments made by subsections (4) to (9) above shall have the same effect as, by virtue of section 84(5) (b) of that Act, they would have had if they had been made by Schedule 8 to that Act.

(11) Paragraphs 1 and 3(3) of Schedule 8 to the Finance Act 1989 shall be deemed never to have had effect.

Textual Amendments

- F45** S. 45(5) repealed (with effect in accordance with Sch. 43 Pt. 3(12) Note 7 of the amending Act) by [Finance Act 2003 \(c. 14\)](#), **Sch. 43 Pt. 3(12)**
- F46** S. 45(6) repealed (31.7.1998 with effect in accordance with Schedule 3 to the amending Act) by [1998 c. 36, s. 165](#), **Sch. 27 Pt.(2) Note**
- F47** S. 45(8) repealed (1.5.1995 with effect as mentioned in [Sch. 8 paras. 55-57](#) of the amending Act) by [1995 c. 4, s. 162](#), **Sch. 29 Pt. VIII**
- F48** S. 45(9) repealed (31.7.1997 with effect in accordance with the provisions of Sch. 3 to the amending Act, other than para. 11) by [1997 c. 58, s. 52](#), **Sch. 8 Pt. II (6) Note (with s. 3(3))**

Marginal Citations

- M6** [1989 c. 26](#).

F49 46

Status: Point in time view as at 01/04/2009.

Changes to legislation: Finance Act 1990 is up to date with all changes known to be in force on or before 02 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

- F49** S. 46 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, [Sch.12](#) (with ss. 60, 101, 201(3), [Sch. 11 paras. 22, 26\(2\), 27](#)) (and expressed to be modified (31.7.1992) by [S.I. 1992/1655](#), [arts. 1, 19\(1\)](#)); and expressed to be excluded (27.7.1993) by [1993 c. 34](#), [s. 91\(1\)](#).

^{F50} **47**

Textual Amendments

- F50** S. 47 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, [Sch.12](#) (with ss. 60, 101(1), 201(3), [Sch. 11 paras. 22, 26\(2\), 27](#)).

48 Transfers of long term business.

Schedule 9 to this Act (which makes provision about the tax consequences of certain transfers of long term business by insurance companies) shall have effect.

49 Friendly societies: increased tax exemption.

- (1) In subsection (2) of section 460 of the Taxes Act 1988 (exemption from tax for profits of friendly society arising from life or endowment business), in paragraph (c)—

- (a) in sub-paragraph (i), for “£100” there shall be substituted “ £150 ”; and
 (b) after that sub-paragraph there shall be inserted—

“(ia) where the profits relate to contracts made after 31st August 1987 but before 1st September 1990, of the assurance of gross sums under contracts under which the total premiums payable in any period of 12 months exceed £100;”.

- (2) In subsection (3) of that section, for the words “of subsection (2)(c)(i)” there shall be substituted the words “ of subsection (2)(c)(i) or (ia) ”.

- (3) In subsection (3) of section 464 of that Act (maximum benefits payable to members of friendly societies), for the words from “Kingdom)” to the end there shall be substituted the words “Kingdom)—

- (a) contracts under which the total premiums payable in any period of 12 months exceed £150; or
 (b) contracts made before 1st September 1990 under which the total premiums payable in any period of 12 months exceed £100,

unless all those contracts were made before 1st September 1987. ”

- (4) In subsection (4) of that section, for the word “limit” there shall be substituted the word “ limits ”.

- (5) In paragraph 3(8)(b)(ii) of Schedule 15 to that Act (amount of premiums to be disregarded in determining whether a policy meets conditions for it to be a qualifying

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policy), after the word “premiums” there shall be inserted the words “ or, where those premiums are payable otherwise than annually, an amount equal to 10 per cent. of those premiums if that is greater ”.

50 Friendly societies: application of enactments.

(1) Section 463 of the Taxes Act 1988 (application to life or endowment business of friendly societies of Corporation Tax Acts as they apply to mutual life assurance business) shall be renumbered as subsection (1) of that section.

(2) After that provision as so renumbered there shall be added—

“(2) The provisions of the Corporation Tax Acts which apply on the transfer of the whole or part of the long term business of an insurance company to another company shall apply in the same way—

(a) on the transfer of the whole or part of the business of a friendly society to another friendly society (and on the amalgamation of friendly societies), and

(b) on the transfer of the whole or part of the business of a friendly society to a company which is not a friendly society (and on the conversion of a friendly society into such a company),

so however that the Treasury may by regulations provide that those provisions as so applied shall have effect subject to such modifications and exceptions as may be prescribed by the regulations.

(3) The Treasury may by regulations provide that the provisions of the Corporation Tax Acts which apply on the transfer of the whole or part of the long term business of an insurance company to another company shall have effect where the transferee is a friendly society subject to such modifications and exceptions as may be prescribed by the regulations.

(4) Regulations under this section may make different provision for different cases and may include provision having retrospective effect.”

Unit and investment trusts etc.

^{F51}51

Textual Amendments

F51 S. 51 repealed (29.4.1996 with effect for the year 1996-1997 and subsequent years of assessment) by 1996 c. 8, ss. 73, 205, Sch. 6, Sch. 41 Pt. V(1) Note 1

52 Unit trusts: repeals.

(1) The Taxes Act 1988 shall have effect subject to the following provisions of this section.

(2) In section 468 (authorised unit trusts) subsection (5) shall not apply as regards a distribution period beginning after 31st December 1990.

Status: Point in time view as at 01/04/2009.

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- (3) Where a particular distribution period is by virtue of subsection (2) above the last distribution period as regards which section 468(5) applies in the case of a trust, the trustees' liability to income tax in respect of any source of income chargeable under Case III of Schedule D shall be assessed as if they had ceased to possess the source of income on the last day of that distribution period.
- (4) But where section 67 of the Taxes Act 1988 applies by virtue of subsection (3) above, it shall apply with the omission from subsection (1)(b) of the words from "and shall" to "this provision".
- (5) Section 468B (certified unit trusts: corporation tax) shall not apply as regards an accounting period ending after 31st December 1990.
- (6) Section 468C (certified unit trusts: distributions) shall not apply as regards a distribution period ending after 31st December 1990.
- (7) Section 468D (funds of funds: distributions) shall not apply as regards a distribution period ending after 31st December 1990.
- (8) In this section "distribution period" has the same meaning as in section 468 of the Taxes Act 1988.

^{F52} **53 Unit trust managers: exemption from bond-washing provisions.**

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Textual Amendments

F52 S. 53 omitted (with effect in accordance with s. 66(8) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\), s. 66\(4\)\(b\)](#)

^{F53} **54**

Textual Amendments

F53 S. 54 repealed (6.3.1992 with effect as mentioned in s. 289 (1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\), s. 290, Sch. 12](#) (with ss. 60, 101(1), 201(3), [Sch. 11 paras. 22, 26\(2\), 27](#)).

55 Investment trusts.

- (1) In section 842 of the Taxes Act 1988 (investment trusts) the following subsections shall be inserted after subsection (2)—
 - “(2A) Subsection (1)(e) above shall not apply as regards an accounting period if—
 - (a) the company is required to retain income in respect of the period by virtue of a restriction imposed by law, and
 - (b) the amount of income the company is so required to retain in respect of the period exceeds an amount equal to 15 per cent. of the income the company derives from shares and securities.

Status: Point in time view as at 01/04/2009.

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(2B) Subsection (2A) above shall not apply where—

- (a) the amount of income the company retains in respect of the accounting period exceeds the amount of income it is required by virtue of a restriction imposed by law to retain in respect of the period, and
- (b) the amount of the excess or, where the company distributes income in respect of the period, that amount together with the amount of income which the company so distributes is at least £10,000 or, where the period is less than 12 months, a proportionately reduced amount.

(2C) Paragraph (e) of subsection (1) above shall not apply as regards an accounting period if the amount which the company would be required to distribute in order to fall within that paragraph is less than £10,000 or, where the period is less than 12 months, a proportionately reduced amount.”

(2) This section applies in relation to accounting periods ending on or after the day on which this Act is passed.

Securities

^{F54}56

Textual Amendments

F54 S. 56 repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Part IV of the amending Act) by 1996 c. 8, ss. 105, 205, **Sch. 41 Pt. V(3)** Note

[^{F55}57 **Deep gain securities.**

(1) In Schedule 11 to the ^{M7}Finance Act 1989 (deep gain securities) paragraph 1 (meaning of deep gain security) shall be amended as follows.

(2) The following sub-paragraph shall be inserted after sub-paragraph (3)—

“(3A) In the case of a security issued on or after 9th June 1989, for the purposes of sub-paragraph (2) above “redemption” does not include any redemption which may be made before maturity only if—

- (a) the person who issued the security fails to comply with the duties imposed on him by the terms of issue,
- (b) the person who issued the security becomes unable to pay his debts, or
- (c) the security was issued by a company and a person gains control of the company in pursuance of the acceptance of an offer made by that person to acquire shares in the company.”

(3) The amendment made by this section shall be deemed always to have had effect.]

Textual Amendments

F55 S. 57 repealed (retrospectively and to be taken always to have had effect) by **Finance (No. 2) Act 1992** (c. 48), ss. 33, 82, **Sch. 7 para. 7 Sch. 18 Pt.VII** (made 16.7.1992).

Status: Point in time view as at 01/04/2009.

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Marginal Citations

M7 1989 c. 26.

F56 **58**

Textual Amendments

F56 S. 58 repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Part IV of the amending Act) by 1996 c. 8, ss. 105, 205, Sch. 41 Pt. V(3) Note

F57 **59**

Textual Amendments

F57 S. 59 repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Part IV of the amending Act) by 1996 c. 8, ss. 105, 205, Sch. 41 Pt. V(3) Note

Oil industry

F58 **60**

Textual Amendments

F58 S. 60 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the repealing Act) by 2001 c. 2, s. 580, Sch. 4

F59 **61**

Textual Amendments

F59 S. 61 repealed (for losses incurred in accounting periods ending on or after 01.04.1991) by Finance Act 1991 (c. 31, SIF 63:1), s. 123, Sch. 19 Pt.V Note 4(c).

62 CT treatment of PRT repayment.

- (1) In section 500 of the Taxes Act 1988 (deduction of PRT in computing income for corporation tax purposes), in subsection (4) (reduction or extinguishment of deduction where PRT repaid)—
 - (a) at the beginning there shall be inserted the words “ Subject to the following provisions of this section ”; and
 - (b) for the words “accounting period” there shall be substituted “ calendar year ”.
- (2) For subsection (5) of that section there shall be substituted the following subsections—

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- “(5) If, in a case where paragraph 17 of Schedule 2 to the 1975 Act applies, an amount of petroleum revenue tax in respect of which a deduction has been made under subsection (1) above is repaid by virtue of an assessment under that Schedule or an amendment of such an assessment, then, so far as concerns so much of that repayment as constitutes the appropriate repayment,—
- (a) subsection (4) above shall not apply; and
 - (b) the following provisions of this section shall apply in relation to the company which is entitled to the repayment.
- (6) In subsection (5) above and the following provisions of this section—
- (a) “the appropriate repayment” has the meaning assigned by sub-paragraph (2) of paragraph 17 of Schedule 2 to the 1975 Act;
 - (b) in relation to the appropriate repayment, a “carried back loss” means an allowable loss which falls within sub-paragraph (1)(a) of that paragraph and which (alone or together with one or more other carried back losses) gives rise to the appropriate repayment;
 - (c) in relation to a carried back loss, “the operative chargeable period” means the chargeable period in which the loss accrued; and
 - (d) in relation to the company which is entitled to the appropriate repayment, “the relevant accounting period” means the accounting period in or at the end of which ends the operative chargeable period or, if the company’s ring fence trade is permanently discontinued before the end of the operative chargeable period, the last accounting period of that trade.
- (7) In computing for corporation tax the amount of the company’s income arising in the relevant accounting period from oil extraction activities or oil rights there shall be added an amount equal to the appropriate repayment; but this subsection has effect subject to subsection (8) below in any case where—
- (a) two or more carried back losses give rise to the appropriate repayment; and
 - (b) the operative chargeable period in relation to each of the carried back losses is not the same; and
 - (c) if subsection (6)(d) above were applied separately in relation to each of the carried back losses there would be more than one relevant accounting period.
- (8) Where paragraphs (a) to (c) of subsection (7) above apply, the appropriate repayment shall be treated as apportioned between each of the relevant accounting periods referred to in paragraph (c) of that subsection in such manner as to secure that the amount added by virtue of that subsection in relation to each of those relevant accounting periods is what it would have been if—
- (a) relief for each of the carried back losses for which there is a different operative chargeable period had been given by a separate assessment or amendment of an assessment under Schedule 2 to the 1975 Act; and
 - (b) relief for a carried back loss accruing in an earlier chargeable period had been so given before relief for a carried back loss accruing in a later chargeable period.
- (9) Any additional assessment to corporation tax required in order to give effect to the addition of an amount by virtue of subsection (7) above may be made

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at any time not later than six years after the end of the calendar year in which is made the repayment of petroleum revenue tax comprising the appropriate repayment.

(10) In this section “allowable loss” and “chargeable period” have the same meaning as in Part I of the 1975 Act and “calendar year” means a period of twelve months beginning on 1st January.”

(3) At the end of section 502(1) of the Taxes Act 1988 (defined expressions for Chapter V of Part XII) there shall be added “and

“ring fence trade” means activities which—

- (a) fall within any of paragraphs (a) to (c) of subsection (1) of section 492; and
- (b) constitute a separate trade (whether by virtue of that subsection or otherwise)”.

^{F60} **63**

Textual Amendments

F60 Ss. 63-65 repealed (6.3.1992 with effect as mentioned in s. 289 (1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), s. 290, **Sch. 12** (with ss. 60, 101(1), 201(3), Sch. 11 paras. 22, 26(2), 27).

^{F61} **64**

Textual Amendments

F61 Ss. 63-65 repealed (6.3.1992 with effect as mentioned in s. 289 (1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), s. 290, **Sch.12** (with ss. 60, 101(1), 201(3), Sch. 11 paras. 22, 26(2), 27).

International

^{F62} **65**

Textual Amendments

F62 Ss. 63-65 repealed (6.3.1992 with effect as mentioned in s. 289 (1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), s. 290, **Sch. 12** (with ss. 60, 101(1), 201(3), Sch. 11 paras. 22, 26(2), 27).

^{F63} **66**

Status: Point in time view as at 01/04/2009.

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Textual Amendments

F63 S. 66 repealed (3.5.1994 with effect in accordance with s. 251 of the amending Act) by 1994 c. 9, ss. 251, 258, **Sch. 26 Pt. VIII** (1) Note

67 Dual resident companies: controlled foreign companies.

^{F64}(1)

^{F64}(2)

(3) In Schedule 25 to that Act—

- (a) paragraphs 2(1)(c) and 4(1)(c) shall be omitted,
- (b) after paragraph 2(1) there shall be inserted—

“(1A) A payment of dividend to a company shall not fall within sub-paragraph (1)(d) above unless it is taken into account in computing the company’s income for corporation tax.”, and

- (c) after paragraph 4(1) there shall be inserted—

“(1A) A payment to a company shall not be a subsequent dividend within the meaning of sub-paragraph (1)(b) above unless it is taken into account in computing the company’s income for corporation tax.”

(4) Subsections (1) and (2) above shall apply on and after 20th March 1990 and subsection (3) above shall apply to dividends paid on or after that date.

Textual Amendments

F64 S. 67(1)(2) repealed (3.5.1994 with effect in accordance with section 251 of the amending Act) by 1994 c. 9, ss. 251, 258, **Sch. 26 Pt. VIII(1)** Note

68 Movements of capital between residents of member States.

(1) In section 765 of the Taxes Act 1988 (certain transactions unlawful unless carried out with Treasury consent), in subsection (1), after the words “Subject to the provisions of this section” there shall be inserted the words “ and section 765A ”.

(2) After that section there shall be inserted—

“765A Movements of capital between residents of member States.

(1) 765(1) shall not apply to a transaction which is a movement of capital to which Article 1 of the Directive of the Council of the European Communities dated 24th June 1988 No.88/361/EEC applies.

(2) Where if that Article did not apply to it a transaction would be unlawful under section 765(1), the body corporate in question (that is to say, the body corporate resident in the United Kingdom) shall—

- (a) give to the Board within six months of the carrying out of the transaction such information relating to the transaction, or to persons

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connected with the transaction, as regulations made by the Board may require, and

- (b) where notice is given to the body corporate by the Board, give to the Board within such period as is prescribed by regulations made by the Board (or such longer period as the Board may in the case allow) such further particulars relating to the transaction, to related transactions, or to persons connected with the transaction or related transactions, as the Board may require.”

(3) In section 98 of the ^{M8}Taxes Management Act 1970 (penalties for failure to furnish information and for false information)—

- (a) in subsection (1), after the words “Subject to” there shall be inserted the words “ the provisions of this section and ”;
- (b) after subsection (4) there shall be inserted—

“(5) In the case of a failure to comply with section 765A(2)(a) or (b) of the principal Act, subsection (1) above shall have effect as if for “£300” there were substituted “ £3,000 ” and as if for “£60” there were substituted “ £600 ”.”;

- (c) in the first column of the Table, after “section 755” there shall be inserted “ section 765A(2)(b); ”; and
- (d) in the second column of the Table, after “section 639” there shall be inserted “ section 765A(2)(a); ”.

(4) This section shall apply to transactions carried out on or after 1st July 1990.

Marginal Citations
M8 1970 c. 9.

69 European Economic Interest Groupings.

Schedule 11 to this Act (which makes provision about the taxation of income and gains in the case of European Economic Interest Groupings) shall have effect.

^{F65}70

Textual Amendments
F65 S. 70 repealed (6.3.1992 with effect as mentioned in s. 289 (1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, Sch. 12 (with ss. 60, 101(1), 201(3), Sch. 11 paras. 22, 26(2), 27).

Miscellaneous

71 Relief for interest.

For the year 1990-91 the qualifying maximum defined in section 367(5) of the Taxes Act 1988 (limit on relief for interest on certain loans) shall be £30,000.

Status: Point in time view as at 01/04/2009.

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F6672

Textual Amendments

F66 S. repealed (6.3.1992 with effect as mentioned in s. 289 (1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, [Sch.12](#) (with ss. 60, 101(1), 201(3), [Sch. 11 paras. 22, 26\(2\), 27](#)).

F6773

Textual Amendments

F67 S. 73 repealed (3.5.1994 with effect in relation to shares issued on or after 1st January 1994) by [1994 c. 9, s. 258, Sch. 26 Pt. V\(17\)](#) Note

F6874

Textual Amendments

F68 S. 74 repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Part IV of the amending Act) by [1996 c. 8, ss. 105, 205, Sch. 41 Pt. V\(3\)](#) Note

F6975

Textual Amendments

F69 S. 75 repealed (3.5.1994) by [1994 c. 9, s. 258, Sch. 26 Pt. V\(21\)](#)

F7076 **Training and enterprise councils and local enterprise companies.**
.....

Textual Amendments

F70 S. 76 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

F7177 **Expenses of entertainers.**
.....

Status: Point in time view as at 01/04/2009.

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Textual Amendments

F71 S. 77 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

^{F72}78 Waste disposal.

.....

Textual Amendments

F72 S. 78 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

^{F73}79 Priority share allocations for employees etc.

.....

Textual Amendments

F73 S. 79 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

80 Broadcasting: transfer of undertakings of Independent Broadcasting Authority and Cable Authority.

Schedule 12 to this Act shall have effect.

81 Futures and options: exemptions.

(1) ^{F74}

(2) The following section shall be inserted at the end of Part XIV of the Taxes Act 1988 (pension schemes etc.)—

“659A Futures and options.

(1) For the purposes of sections 592(2), 608(2)(a), 613(4), 614(3) and (4), 620(6) and 643(2)—

(a) “investments” (or “investment”)

includes futures contracts and options contracts, and

(b) income derived from transactions relating to such contracts shall be regarded as income derived from (or income from) such contracts, and paragraph 7(3)(a) of Schedule 22 to this Act shall be construed accordingly.

(2) For the purposes of subsection (1) above a contract is not prevented from being a futures contract or an options contract by the fact that any party is or

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may be entitled to receive or liable to make, or entitled to receive and liable to make, only a payment of a sum (as opposed to a transfer of assets other than money) in full settlement of all obligations.”

^{F75}(3)

(4) Section 659 of the Taxes Act 1988 (financial futures and traded options) shall cease to have effect.

(5) Subsections (1) and (2) above apply in relation to income derived after the day on which this Act is passed.

^{F75}(6)

(7) Insofar as section 659 of the Taxes Act 1988 relates to provisions of that Act, subsection (4) above applies in relation to income derived after the day on which this Act is passed.

(8) Insofar as section 659 of the Taxes Act 1988 relates to section 149B of the ^{M9}Capital Gains Tax Act 1979, subsection (4) above applies in relation to disposals made after the day on which this Act is passed.

Textual Amendments

F74 S. 81(1) repealed (with effect as mentioned in s. 83(3) of the repealing Act) by [Finance Act 2002](#) (c. 23), s. 141, **Sch. 40 Pt. 3(13)**

F75 S. 81(3)(6) repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992](#) (c. 12), ss. 289, 290, **Sch. 12** (with ss. 60, 101(1), 201(3), Sch. 11 paras. 20, 22, 26(2), 27)

Marginal Citations

M9 1979 c. 14.

^{F76}**82**

Textual Amendments

F76 S. 82 repealed (1.5.1995 with effect for the year 1995-1996 and subsequent years of assessment) by 1995 c. 4, s. 162, **Sch. 29 Pt. VIII(8)** Note

^{F77}**83**

Textual Amendments

F77 Ss. 83-86 repealed (6.3.1992 with effect as mentioned in s. 289 (1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992](#) (c. 12), ss. 289, 290, **Sch. 12** (with ss. 60, 101(1), 201(3), Sch. 11 paras. 20, 22, 26(2),27).

^{F78}**84**

Status: Point in time view as at 01/04/2009.

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Textual Amendments

F78 Ss. 83-86 repealed (6.3.1992 with effect as mentioned in s. 289 (1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 12](#) (with ss. 60, 101(1), 201(3), Sch. 11 paras. 20, 22, 26(2),27).

^{F79}**85**

Textual Amendments

F79 Ss. 83-86 repealed (6.3.1992 with effect as mentioned in s. 289 (1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 12](#) (with ss. 60, 101(1), 201(3), Sch. 11 paras. 20, 22, 26(2),27).

^{F80}**86**

Textual Amendments

F80 Ss. 83-86 repealed (6.3.1992 with effect as mentioned in s. 289 (1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 12](#) (with ss. 60, 101(1), 201(3), Sch. 11 paras. 20, 22, 26(2),27).

^{F81}**87**

Textual Amendments

F81 [S. 87](#) repealed (22.3.2001 with effect as mentioned in s. 579(1) of the repealing Act) by [2001 c. 2, s. 580](#), [Sch. 4](#)

88 Capital allowances: miscellaneous amendments.

Schedule 13 to this Act shall have effect.

89 Correction of errors in Taxes Act 1988.

Schedule 14 to this Act shall have effect.

Status: Point in time view as at 01/04/2009.

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CHAPTER II

MANAGEMENT

Returns and information

90 Income tax returns.

- (1) The following sections shall be substituted for sections 8 and 9 of the ^{M10}Taxes Management Act 1970 (return of income)—

“8 Personal return.

- (1) For the purposes of assessing a person to income tax, he may be required by a notice given to him by an inspector—
- (a) to make and deliver to the inspector within the time limited by the notice a return containing such information as may be required in pursuance of the notice, and
 - (b) to deliver with the return such accounts and statements, relating to information contained in the return, as may be required in pursuance of the notice.
- (2) Every return under this section shall include a declaration by the person making the return to the effect that the return is to the best of his knowledge correct and complete.
- (3) A notice under this section may require different information, accounts and statements for different periods or in relation to different descriptions of source of income.
- (4) Notices under this section may require different information, accounts and statements in relation to different descriptions of person.

8A Trustee’s return.

- (1) For the purpose of assessing a trustee of a settlement, and the settlors and beneficiaries, to income tax an inspector may by a notice given to the trustee require the trustee—
- (a) to make and deliver to the inspector within the time limited by the notice a return containing such information as may be required in pursuance of the notice, and
 - (b) to deliver with the return such accounts and statements, relating to information contained in the return, as may be required in pursuance of the notice;
- and a notice may be given to any one trustee or separate notices may be given to each trustee or to such trustees as the inspector thinks fit.
- (2) Every return under this section shall include a declaration by the person making the return to the effect that the return is to the best of his knowledge correct and complete.

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- (3) A notice under this section may require different information, accounts and statements for different periods or in relation to different descriptions of source of income.
- (4) Notices under this section may require different information, accounts and statements in relation to different descriptions of settlement.

9 Partnership return.

- (1) Where a trade or profession is carried on by two or more persons jointly, for the purposes of making an assessment to income tax in the partnership name an inspector may act under subsection (2) or (3) below (or both).
 - (2) An inspector may by a notice given to the partners require such person as is identified in accordance with rules given with the notice—
 - (a) to make and deliver to the inspector within the time limited by the notice a return containing such information as may be required in pursuance of the notice, and
 - (b) to deliver with the return such accounts and statements as may be required in pursuance of the notice.
 - (3) An inspector may by a notice given to any partner require the partner—
 - (a) to make and deliver to the inspector within the time limited by the notice a return containing such information as may be required in pursuance of the notice, and
 - (b) to deliver with the return such accounts and statements as may be required in pursuance of the notice;
 and a notice may be given to any one partner or separate notices may be given to each partner or to such partners as the inspector thinks fit.
 - (4) Every return under this section shall include—
 - (a) a declaration of the names and residences of the partners;
 - (b) a declaration by the person making the return to the effect that the return is to the best of his knowledge correct and complete.
 - (5) A notice under this section may require different information, accounts and statements for different periods or in relation to different descriptions of source of income.
 - (6) Notices under this section may require different information, accounts and statements in relation to different descriptions of partnership.”
- (2) In section 12 of that Act (information about chargeable gains)—
 - (a) in subsection (1) for the words “Section 8” there shall be substituted the words “ Sections 8 and 8A ” and for the words “it applies” there shall be substituted the words “ they apply ”;
 - (b) in subsection (2) after the words “section 8” there shall be inserted the words “ or section 8A ”;
 - (c) in subsection (4) the words “of income of a partnership” shall be omitted.
 - (3) In section 93 of that Act (penalties) in subsection (1) for the words “9 of this Act (or either” there shall be substituted the words “ 8A or 9 of this Act (or any ”.

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- (4) In section 95 of that Act (penalties) in subsection (1)(a) for the words “9 of this Act (or either” there shall be substituted the words “ 8A or 9 of this Act (or any ”.
- (5) This section applies where a notice to deliver a return was, or falls to be, given after 5th April 1990.

Marginal Citations

M10 1970 c. 9.

F82**91**

Textual Amendments

F82 S. 91 repealed (31.7.1998 with effect in relation to accounting periods ending on or after the self-assessment appointed day within the meaning of section 117 of the amending Act) by 1998 c. 36, ss. 117, 165, Sch. 27 Pt. III(28) Note

92 Information powers relating to interest.

- (1) Section 17 of the ^{M11}Taxes Management Act 1970 (interest paid or credited by banks etc. without deduction of income tax) shall be amended as mentioned in subsections (2) and (3) below.
- (2) In subsection (1)—
 - (a) after the words “without deduction of income tax” there shall be inserted the words “ or after deduction of income tax ”;
 - (b) after the words “the amount of the interest” there shall be inserted the words “ actually paid or credited and (where the interest was paid or credited after deduction of income tax) the amount of the interest from which the tax was deducted and the amount of the tax deducted ”;
 - (c) paragraph (a) of the proviso shall be omitted.
- (3) The following subsections shall be inserted after subsection (4)—
 - (5) The Board may by regulations provide as mentioned in all or any of the following paragraphs—
 - (a) that a return under subsection (1) above shall contain such further information as is prescribed if the notice requiring the return specifies the information and requires it to be contained in the return;
 - (b) that a person required to make and deliver a return under subsection (1) above shall furnish with the return such further information as is prescribed if the notice requiring the return specifies the information and requires it to be so furnished;
 - (c) that if a person is required to furnish information under any provision made under paragraph (b) above, and the notice requiring the return specifies the form in which the information is to be furnished, the person shall furnish the information in that form;

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- (d) that a notice under subsection (1) above shall not require prescribed information;
- and in this subsection “prescribed” means prescribed by the regulations.
- (6) Regulations under subsection (5) above—
- (a) shall be made by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons,
 - (b) may make different provision in relation to different cases or descriptions of case, and
 - (c) may include such supplementary, incidental, consequential or transitional provisions as appear to the Board to be necessary or expedient.”
- (4) Section 18 of that Act (interest paid without deduction of income tax) shall be amended as mentioned in subsections (5) and (6) below.
- (5) In subsection (1)—
- (a) after the words “without deduction of income tax” there shall be inserted the words “ or after deduction of income tax ”;
 - (b) in paragraph (b) for the words “so paid or received” there shall be substituted the words “ actually paid or received and (where the interest has been paid or received after deduction of income tax) the amount of the interest from which the tax has been deducted and the amount of the tax deducted ”;
 - (c) for the words “its amount” there shall be substituted the words “ the amount actually received and (where the interest has been received after deduction of income tax) the amount of the interest from which the tax has been deducted and the amount of the tax deducted ”.
- (6) The following subsections shall be inserted after subsection (3A)—
- “(3B) The Board may by regulations provide as mentioned in all or any of the following paragraphs—
- (a) that a person required to furnish information under subsection (1) above shall furnish at the same time such further information as is prescribed if the notice concerned specifies the information and requires it to be so furnished;
 - (b) that if a person is required to furnish information under subsection (1) above or under any provision made under paragraph (a) above, and the notice concerned specifies the form in which the information is to be furnished, the person shall furnish the information in that form;
 - (c) that a notice under subsection (1) above shall not require prescribed information;
- and in this subsection “prescribed” means prescribed by the regulations.
- (3C) Regulations under subsection (3B) above—
- (a) shall be made by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons,
 - (b) may make different provision in relation to different cases or descriptions of case, and
 - (c) may include such supplementary, incidental, consequential or transitional provisions as appear to the Board to be necessary or expedient.”

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- (7) Subsections (1) to (3) above shall have effect as regards a case where interest is paid or credited in the year 1991-92 or a subsequent year of assessment.
- (8) Subsections (4) to (6) above shall have effect as regards a case where interest is paid in the year 1991-92 or a subsequent year of assessment.

Marginal Citations

M11 1970 c. 9.

93 Restrictions on Board’s power to call for information.

- (1) In section 20 of the ^{M12}Taxes Management Act 1970 (powers to call for information), after subsection (7) there shall be inserted—

“(7A) A notice under subsection (2) above is not to be given unless the Board have reasonable grounds for believing—

- (a) that the person to whom it relates may have failed or may fail to comply with any provision of the Taxes Acts; and
- (b) that any such failure is likely to have led or to lead to serious prejudice to the proper assessment or collection of tax.”

- (2) This section shall apply with respect to notices given on or after the day on which this Act is passed.

Marginal Citations

M12 1970 c. 9.

^{F83}**94**

Textual Amendments

F83 S. 94 repealed (16.7.1992) (for claims made after 16.7.1992) by Finance (No. 2) Act 1992 (c. 48), ss. 28(5)(6), 82, **Sch. 18 Pt.VII**.

Corporation tax determinations

^{F84}**95**

Textual Amendments

F84 S. 95 repealed (31.7.1998 with effect in relation to accounting periods ending on or after the self-assessment appointed day within the meaning of section 117 of the amending Act) by 1998 c. 36, ss. 117, 165, **Sch. 27 Pt. III(28)** Note

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F8596

Textual Amendments

F85 S. 96 repealed (27.7.1999 with effect in relation to accounting periods ending on or after 1.7.1999) by 1999 c. 16, ss. 92(6)(7), 139, **Sch. 20 Pt. III(20)** Note

Claims by companies

F8697

Textual Amendments

F86 S. 97 repealed (31.7.1997 with effect in relation to tax credits in respect of distributions made on or after 6th April 1999) by 1997 c. 58, ss. 34, 52, Sch. 4 paras. 2(2), 3(2), **Sch. 8 Pt. II(9)** Note 1(with s. 3(3))

98 Repayment of income tax deducted at source.

- (1) The Taxes Act 1988 shall be amended as follows.
- (2) In section 7(2) (set off against corporation tax of income tax deducted from payments received by resident companies) the words from “and accordingly” to the end shall be omitted.

F87(3)

- (4) In section 11(3) (set off against corporation tax of income tax deducted from payments received by non-resident companies) the words from “and accordingly” to the end shall be omitted.
- (5) This section applies in relation to income tax falling to be set off against corporation tax for accounting periods ending after the day appointed for the purposes of section 10 of the Taxes Act 1988 (pay and file).

Textual Amendments

F87 S. 98(3) repealed (31.7.1998 in relation to accounting periods ending on or after the self-assessment appointed day within the meaning of s. 117 of the amending Act) by 1998 c. 36, ss. 117, 165, **Sch. 27 Pt. III** (28) Note

99 Loss relief.

- (1) The Taxes Act 1988 shall be amended as follows.
- (2) In section 393 (relief for trading losses) in subsection (1) (carry forward of losses on the making of a claim)—
 - (a) for the words “the company may make a claim requiring that the loss” there shall be substituted the words “ the loss shall ”, and

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- (b) for the words “on that claim” there shall be substituted the words “ under this subsection ”;
- and in subsection (11) (time limit for claims) the words from the beginning to “of six years; and” shall be omitted.
- (3) In section 396 (relief for Case VI losses on the making of a claim)—
 - (a) in subsection (1) for the words “the company may make a claim requiring that the loss” there shall be substituted the words “ the loss shall ”, and
 - (b) subsection (3) (time limit for claims) shall cease to have effect.
- (4) This section applies in relation to accounting periods ending after the day appointed for the purposes of section 10 of the Taxes Act 1988 (pay and file).

F88 100

Textual Amendments

F88 S. 100 repealed (31.7.1998 with effect in relation to accounting periods ending on or after the self-assessment appointed day within the meaning of [section 117](#) of the amending Act) by [1998 c. 36, ss. 117, 165, Sch. 27 Pt. III](#) (28) Note

F89 101

Textual Amendments

F89 S. 101 repealed (27.7.1999 with effect in relation to accounting periods ending on or after 1.7.1999) by [1999 c. 16, ss. 93, 139, Sch. 20 Pt. III\(21\)](#) Note

F90 102

Textual Amendments

F90 S. 102 repealed (31.7.1998 with effect in relation to accounting periods ending on or after the self-assessment appointed day within the meaning of [section 117](#) of the amending Act) by [1998 c. 36, ss. 117, 165, Sch. 27 Pt. III](#) (28) Note

F91 103

Textual Amendments

F91 S. 103 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the repealing Act) by [2001 c. 2, s. 580, Sch. 4](#)

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Miscellaneous

104 Officers.

- (1) In section 1 of the ^{M13}Taxes Management Act 1970 (appointment of inspectors etc.) the following subsections shall be inserted after subsection (2)—

“(2A) The Board may appoint a person to be an inspector or collector for general purposes or for such specific purposes as the Board think fit.

(2B) Where in accordance with the Board’s administrative practices a person is authorised to act as an inspector or collector for specific purposes, he shall be deemed to have been appointed to be an inspector or collector for those purposes.”

- (2) In section 55 of that Act (recovery of tax not postponed)—

(a) in subsection (7) for the words “the inspector” there shall be substituted the words “ an inspector ”;

^{F92}(b)

- (3) The amendment made by subsection (1) above shall be deemed always to have had effect.

- (4) The amendments made by subsection (2) above shall apply where notice of appeal is given on or after the day on which this Act is passed.

Textual Amendments

F92 S. 104(2)(b) repealed (11.5.2001 with effect in accordance with s. 88 and Sch. 29 of the repealing Act) by 2001 c. 9, s. 110, **Sch. 33 Pt. 2(13)**

Marginal Citations

M13 1970 c. 9.

105 Recovery of excessive repayments of tax.

- (1) In section 30 of the ^{M14}Taxes Management Act 1970 (recovery of excessive repayments of tax) the following subsection shall be inserted after subsection (1)—

“(1A) Subsection (1)

above shall not apply where the amount of tax which has been repaid is assessable under section 29 of this Act.”

- (2) This section applies in relation to amounts of tax repaid on or after the day on which this Act is passed.

Marginal Citations

M14 1970 c. 9.

Status: Point in time view as at 01/04/2009.

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106 Corporation tax: collection.

In section 10 of the Taxes Act 1988 (time for payment of tax) the following subsection shall be substituted for subsection (2)—

“(2) Where by virtue of subsection (1)(a) above corporation tax for an accounting period of a company is due without the making of an assessment, the amount for the time being shown in a return by the company under section 11 of the Management Act (corporation tax return) as the corporation tax for the period shall be treated for the purposes of Part VI of the Management Act (collection and recovery) as tax charged and due and payable under an assessment on the company.”

PART III

STAMP DUTY AND STAMP DUTY RESERVE TAX

Repeals

[^{F93}107 Stamp duty to be abolished on bearer instruments.

- (1) Stamp duty shall not be chargeable under Schedule 15 to the Finance Act 1999 (bearer instruments).
- (2) Subsection (1) above applies in relation to the charge under paragraph 1 of that Schedule (charge on issue) where the instrument is issued on or after the abolition day.
- (3) Subsection (1) above applies in relation to the charge under paragraph 2 of that Schedule (charge on transfer of stock) where the stock constituted by or transferable by means of the instrument is transferred on or after the abolition day.]

Textual Amendments

F93 S. 107 substituted (27.7.1999 with application in relation to bearer instruments issued on or after 1.10.1999) by 1999 c. 16, s. 113(3)(4), **Sch. 16 para. 12**

108 Transfer of securities: abolition of stamp duty.

- [^{F94}(1) Stamp duty shall not be chargeable under Schedule 13 to the Finance Act 1999 (transfer of securities) [^{F95}or section 67(3) or 70(3) of the Finance Act 1986 (stamp duty on certain transfers to depositary receipt systems and clearance systems)].]
- (7) Subject to subsection (8) below, this section applies if the instrument is executed in pursuance of a contract made on or after the abolition day.
- (8) In the case of an instrument—
 - (a) which falls within section 67(1) or (9) of the ^{M15}Finance Act 1986 (depositary receipts) or section 70(1) or (9) of that Act (clearance services), or
 - (b) which does not fall within section 67(1) or (9) or section 70(1) or (9) of that Act and is not executed in pursuance of a contract,this section applies if the instrument is executed on or after the abolition day.

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Textual Amendments

- F94** S. 108(1) substituted for s. 108(1)-(6) (with effect in accordance with s.125(8) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 20 para. 5](#)
- F95** Words in s. 108(1) inserted (with effect in accordance with s. 99(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 32 para. 19](#)

Marginal Citations

- M15** [1986 c. 41](#).

109 Stamp duty: other repeals.

- (1) Section 83 of the ^{M16}Stamp Act 1891 (fine for certain acts relating to securities) shall not apply where an instrument of assignment or transfer is executed, or a transfer or negotiation of the stock constituted by or transferable by means of a bearer instrument takes place, on or after the abolition day.
- (2) The following provisions (which relate to the cancellation of certain instruments) shall not apply where the stock certificate or other instrument is entered on or after the abolition day—
 - (a) section 109(1) of the Stamp Act 1891,
 - (b) section 5(2) of the ^{M17}Finance Act 1899,
 - ^{F96}(c)
 - ^{F96}(d)
- (3) Section 67 of the ^{M18}Finance Act 1963 (prohibition of circulation of blank transfers) shall not apply where the sale is made on or after the abolition day; and section 16 of the ^{M19}Finance Act (Northern Ireland) 1963 (equivalent provision for Northern Ireland) shall not apply where the sale is made on or after the abolition day.
- (4) No person shall be required to notify the Commissioners under section 68(1) or (2) or 71(1) or (2) of the Finance Act 1986 (depository receipts and clearance services) if he first issues the receipts, provides the services or holds the securities as there mentioned on or after the abolition day.
- (5) No company shall be required to notify the Commissioners under section 68(3) or 71(3) of that Act if it first becomes aware as there mentioned on or after the abolition day.
- (6) The following provisions shall cease to have effect—
 - ^{F96}(a)
 - ^{F96}(b)
 - (c) section 33 of the ^{M20}Finance Act 1970 (composition by financial institutions in respect of stamp duty),
 - (d) section 127(7) of the ^{M21}Finance Act 1976 (extension of composition provisions to Northern Ireland), and
 - (e) section 85 of the ^{M22}Finance Act 1986 (provisions about stock, marketable securities, etc.).
- (7) The provisions mentioned in subsection (6) above shall cease to have effect as provided by the Treasury by order.

Status: Point in time view as at 01/04/2009.

Changes to legislation: Finance Act 1990 is up to date with all changes known to be in force on or before 02 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (8) An order under subsection (7) above—
- (a) shall be made by statutory instrument;
 - (b) may make different provision for different provisions or different purposes;
 - (c) may include such supplementary, incidental, consequential or transitional provisions as appear to the Treasury to be necessary or expedient.

^{F96}(9)

Textual Amendments

F96 S. 109(2)(c)(d)(6)(a)(b)(9) repealed (27.7.1999 with effect in relation to instruments executed on or after 6.2.2000) by 1999 c. 16, s. 139, **Sch. 20 Pt. V(5)**, Note 1

Marginal Citations

- M16** 1891 c. 39.
- M17** 1899 c. 9.
- M18** 1963 c. 25.
- M19** 1963 c. 22 (N.I.).
- M20** 1970 c. 24.
- M21** 1976 c. 40.
- M22** 1986 c. 41.

110 Stamp duty reserve tax: abolition.

- (1) Stamp duty reserve tax shall cease to be chargeable.
- (2) In relation to the charge to tax under section 87 of the Finance Act 1986 subsection (1) above applies where—
 - (a) the agreement to transfer is conditional and the condition is satisfied on or after the abolition day, or
 - (b) the agreement is not conditional and is made on or after the abolition day.
- (3) In relation to the charge to tax under section 93(1) of that Act subsection (1) above applies where securities are transferred, issued or appropriated on or after the abolition day (whenever the arrangement was made).
- (4) In relation to the charge to tax under section 96(1) of that Act subsection (1) above applies where securities are transferred or issued on or after the abolition day (whenever the arrangement was made).
- (5) In relation to the charge to tax under section 93(10) of that Act subsection (1) above applies where securities are issued or transferred on sale, under terms there mentioned, on or after the abolition day.
- (6) In relation to the charge to tax under section 96(8) of that Act subsection (1) above applies where securities are issued or transferred on sale, under terms there mentioned, on or after the abolition day.
- (7) Where before the abolition day securities are issued or transferred on sale under terms mentioned in section 93(10) of that Act, in construing section 93(10) the effect of subsections (1) and (3) above shall be ignored.

Status: Point in time view as at 01/04/2009.

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- (8) Where before the abolition day securities are issued or transferred on sale under terms mentioned in section 96(8) of that Act, in construing section 96(8) the effect of subsections (1) and (4) above shall be ignored.

111 General.

- (1) In sections 107 to 110 above “the abolition day” means such day as may be appointed by the Treasury by order made by statutory instrument.
- (2) Sections 107 to 109 above shall be construed as one with the ^{M23}Stamp Act 1891.

Marginal Citations

M23 1891 c. 39.

Paired shares

112 Stamp duty.

- (1) In section 143 of the ^{M24}Finance Act 1988 (paired shares) in subsection (1)(b) for the words “an equal number of” there shall be substituted the word “ other ”.
- (2) Subsection (1) above applies where—
- (a) the offers referred to in section 143(1) are made, or are to be made, on or after the day on which this Act is passed, and
 - (b) before the offers are made, or are to be made, units comprising shares in the two companies concerned were offered (whether before or on or after the day on which this Act is passed) in circumstances where section 143 applied without the amendment made by subsection (1) above.

Marginal Citations

M24 1988 c. 39.

113 Stamp duty reserve tax.

- (1) Section 99 of the ^{M25}Finance Act 1986 (stamp duty reserve tax: interpretation) shall be amended as follows.
- (2) In subsection (6A) (paired shares) in paragraph (b) for the words “an equal number of” there shall be substituted the word “ other ”.
- (3) The following subsection shall be inserted after subsection (6A)—
- “(6B) For the purposes of subsection (4) above, shares issued by a body corporate which is not incorporated in the United Kingdom (“the foreign company”) are paired with shares issued by a body corporate which is so incorporated (“the UK company”) where—
- (a) the articles of association of the UK company and the equivalent instruments governing the foreign company each provide that no share in the company to which they relate may be transferred

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otherwise than as part of a unit comprising one share in that company and one share in the other, and

- (b) the shares issued by the foreign company, and the shares issued by the UK company, are issued to give effect to an allotment of the shares (as part of such units) as fully or partly paid bonus shares.”

^{F97}(4)

(5) Subsection (2) above applies where—

- (a) the offers referred to in section 99(6A) are made on or after the day on which this Act is passed, and
- (b) before the offers are made, units comprising shares in the two companies concerned were offered (whether before or on or after the day on which this Act is passed) in circumstances where section 99(6A) applied without the amendment made by subsection (2) above.

(6) Subsections (3) and (4) above apply where—

- (a) the shares referred to in section 99(6B) are issued on or after the day on which this Act is passed, and
- (b) before they are issued, units comprising shares in the two companies concerned were offered (whether before or on or after the day on which this Act is passed) in circumstances where section 99(6A) applied without the amendment made by subsection (2) above.

Textual Amendments

F97 S. 113(4) repealed (22.7.1999 with effect in relation to instruments executed on or after 6.2.2000) by 1999 c. 16, s. 139, **Sch. 20 Pt. V(5)** Note 1

Marginal Citations

M25 1986 c. 41.

International organisations

114 International organisations.

- (1) In section 126 of the ^{M26}Finance Act 1984 (tax exemptions in relation to designated international organisations) in subsection (3) the following paragraph shall be inserted after paragraph (c)—

“(d) no stamp duty reserve tax shall be chargeable under section 93 (depository receipts) or 96 (clearance services) of the Finance Act 1986 in respect of the issue of securities by the organisation.”

- (2) Where an organisation or body is designated under section 126(1) or (4) before the day on which this Act is passed, subsection (1) above applies in relation to the issue of securities by the organisation or body on or after that day.
- (3) Where an organisation or body is designated under section 126(1) or (4) on or after the day on which this Act is passed, subsection (1) above applies in relation to the issue of securities by the organisation or body after the designation.

Status: Point in time view as at 01/04/2009.

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Marginal Citations

M26 1984 c. 43.

PART IV

MISCELLANEOUS AND GENERAL

Ports levy

^{F98}**115**

Textual Amendments

F98 Ss. 115-120 repealed (1.5.1995) by 1995 c. 4, ss. 159(2), 162, **Sch. 29 Pt. XII**

^{F99}**116**

Textual Amendments

F99 Ss. 115-120 repealed (1.5.1995) by 1995 c. 4, ss. 159(2), 162, **Sch. 29 Pt. XII**

^{F100}**117**

Textual Amendments

F100 Ss. 115-120 repealed (1.5.1995) by 1995 c. 4, ss. 159(2), 162, **Sch. 29 Pt. XII**

^{F101}**118**

Textual Amendments

F101 Ss. 115-120 repealed (1.5.1995) by 1995 c. 4, ss. 159(2), 162, **Sch. 29 Pt. XII**

^{F102}**119**

Textual Amendments

F102 Ss. 115-120 repealed (1.5.1995) by 1995 c. 4, ss. 159(2), 162, **Sch. 29 Pt. XII**

Status: Point in time view as at 01/04/2009.

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F103 120

Textual Amendments

F103 Ss. 115-120 repealed (1.5.1995) by 1995 c. 4, ss. 159(2), 162, Sch. 29 Pt. XII

Petroleum revenue tax

121 Limit on PRT repayment interest where loss carried back.

- (1) Schedule 2 to the ^{M27}Oil Taxation Act 1975 (management and collection of PRT) shall be amended as follows.
- (2) At the beginning of paragraph 16 (interest on repayments)
there shall be inserted the words “ Subject to paragraph 17 below ”.
- (3) After that paragraph there shall be inserted the following paragraph—

- “¹⁷
- (1) This paragraph applies where—
 - (a) an assessment made on a participator for a chargeable period or an amendment of such an assessment (in this paragraph referred to as “the relevant assessment or amendment”) gives effect to relief under subsection (2) or subsection (3) of section 7 of this Act for one or more allowable losses accruing in a later chargeable period (in this paragraph referred to, in relation to the relevant assessment or amendment, as “the relief for losses carried back”); and
 - (b) the later chargeable period referred to in paragraph (a) above ends after 30th June 1991; and
 - (c) an amount of tax becomes repayable to the participator by virtue of the relevant assessment or amendment (whether wholly or partly by reason of giving effect to the relief for losses carried back).
 - (2) In the following provisions of this paragraph, so much of the repayment of tax referred to in sub-paragraph (1)(c) above as is attributable to giving effect to the relief for losses carried back is referred to as “the appropriate repayment”.
 - (3) For the purpose of determining the amount of the appropriate repayment in a case where the relevant assessment or amendment not only gives effect to the relief for losses carried back but also takes account of any other matter (whether a relief or not) which goes to reduce the assessable profit of the period in question or otherwise to reduce the tax payable for that period, the amount of the repayment which is attributable to the relief for losses carried back is the difference between—
 - (a) the total amount of tax repayable by virtue of the relevant assessment or amendment; and
 - (b) the amount of tax (if any) which would have been so repayable if no account had been taken of the relief for losses carried back.

Status: Point in time view as at 01/04/2009.

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- (4) Where this paragraph applies, the amount of interest which, by virtue of paragraph 16 above, is carried by the appropriate repayment shall not exceed the difference between—
- (a) 85 per cent. of the allowable loss or losses referred to in sub-paragraph (1)(a) above; and
 - (b) the amount of the appropriate repayment.”

Marginal Citations

M27 1975 c. 22.

122 Variation, on account of fraudulent or negligent conduct, of decision on expenditure claim etc.

- (1) In the ^{M28}Oil Taxation Act 1975, in Schedule 5 (allowance of certain expenditure on a claim by the responsible person) paragraph 9 (variation of decision on a claim where the amount of expenditure allowed etc. was incorrectly stated in the notice of the decision) shall be amended in accordance with subsections (2) to (4) below.

- (2) After sub-paragraph (1) there shall be inserted the following sub-paragraphs—

“(1A) In any case falling within sub-paragraph (1B)

below, sub-paragraph (1) above shall have effect—

- (a) with the substitution for the words “within the period of three years commencing with” of the words “at any time after”; and
- (b) with the omission of the words “before the expiry of that period”.

(1B) The cases referred to in sub-paragraph (1A)

above are those where—

- (a) the incorrect statement of the relevant amount in the notice of the decision mentioned in sub-paragraph (1) above was an over-statement of that amount; and
- (b) that over-statement was, in whole or in part, referable to an error in a statement or declaration made in connection with the claim; and
- (c) at least one of the conditions in sub-paragraph (1C) below is fulfilled with respect to that error.

(1C) The conditions referred to in sub-paragraph (1B)(c)

above are—

- (a) that the error was attributable, in whole or in part, to the fraudulent or negligent conduct of the responsible person or a person acting on his behalf;
- (b) that paragraph (a) above does not apply but, on the error coming to the notice of the person by whom the statement or declaration was made or a person acting on his behalf, the error was not remedied without unreasonable delay; and
- (c) that paragraph (a) above does not apply but, on the error coming to the notice of any person who subsequently becomes the responsible person, the error was not remedied without unreasonable delay.”

Status: Point in time view as at 01/04/2009.

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(3) After sub-paragraph (2) there shall be inserted the following sub-paragraph—

“(2A) In any case where—

- (a) the relevant amount which was incorrectly stated is a part of any expenditure falling within paragraph (c) of sub-paragraph (2) above (in this sub-paragraph referred to as a “paragraph (c) amount”), and
- (b) under sub-paragraph (1B)(a) above the question arises whether the incorrect statement was an over-statement,

that question shall be determined by comparing the total amount which, in accordance with the notice of decision containing the incorrect statement, was brought into account under section 2(9)(b)(ii) of this Act with the total amount which would have been so brought into account if the paragraph (c) amounts stated in that notice had been correct”.

(4) For sub-paragraph (11) there shall be substituted the following sub-paragraph—

“(11) In a case falling within sub-paragraph (1B) above, this paragraph has effect in relation to notices of decisions of the Board under paragraph 3 above whenever given; and, in any other case, this paragraph has effect in relation to such notices given after 15th March 1983.”

(5) In the Table set out in paragraph 2 of Schedule 6 to the ^{M29}Oil Taxation Act 1975 (which modifies Schedule 5 in its application to a claim under Schedule 6) in the second column relating to paragraph 9 of Schedule 5 there shall be inserted— “Omit sub-paragraph (1C)(c).”

(6) In the Table set out in paragraph 1(3) of Schedule 7 to the ^{M30}Oil Taxation Act 1975 (which modifies Schedule 5 in its application to Schedules 7 and 8), in the entry in the second column relating to paragraph 9 of Schedule 5,—

- (a) at the beginning insert “In sub-paragraph (1C) omit paragraph (c)”; and
- (b) after “(b) and (c)” insert “omit sub-paragraph (2A)”.

Marginal Citations

- M28** 1975 c. 22.
- M29** 1975 c. 22.
- M30** 1975 c. 22.

Miscellaneous

^{F104}**123**

Textual Amendments

- F104** **S. 123** repealed (31.7.1998 - this repeal does not have effect in relation to gas levy for the year 1997/1998 or any previous year) by 1998 c. 36, s. 165, **Sch. 27 Pt. V(3)** Note 1

Status: Point in time view as at 01/04/2009.

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124 Inheritance tax: restriction on power to require information.

- (1) In section 219 of the ^{M31}Inheritance Tax Act 1984 (power to require information), after subsection (1) there shall be inserted—

“(1A) A notice under this section is not to be given except with the consent of a Special Commissioner and the Commissioner is to give his consent only on being satisfied that in all the circumstances the Board are justified in proceeding under this section.”

- (2) This section shall apply with respect to notices given on or after the day on which this Act is passed.

Marginal Citations

M31 1984 c. 51.

125 Information for tax authorities in other member States.

^{F105}(1)

^{F106}(2)

- (3) Section 219 of the Inheritance Tax Act 1984 (power to require information for purposes of that Act) shall have effect as if the reference to that Act in subsection (1) of that section included a reference to any provision of the law of a member State other than the United Kingdom in accordance with which there is charged any tax—

- (a) which is of a character similar to that of inheritance tax or is chargeable on or by reference to death or gifts inter vivos, and
- (b) in relation to which [^{F107}the Directive of the Council of the European Communities dated 19 December 1977 No.77/799/EEC (the “1977 Directive”)] has effect by virtue of any other Directive of the Council (whether adopted before or after the passing of this Act) extending that Directive.

- (4) In its application by virtue of subsection (3) above section 219 shall have effect as if the reference to income tax in subsection (2) of that section included a reference to any tax of a member State other than the United Kingdom [^{F108}which is covered by the provisions for the exchange of information under the 1977 Directive].

^{F109}(5)

- (6) ^{F110}... subsections (3) and (4) above shall apply with respect to notices given on or after such day as the Treasury may by order made by statutory instrument ^{F111}... .

Textual Amendments

F105 S. 125(1) omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), Sch. 36 para. 83(a) (with Sch. 36 para. 38); S.I. 2009/404, art. 2

F106 S. 125(2) omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), Sch. 36 para. 83(a) (with Sch. 36 para. 38); S.I. 2009/404, art. 2

F107 Words in s. 125(3) substituted (1.4.2009) by Finance Act 2008 (c. 9), s. 113(2), Sch. 36 para. 83(b) (with Sch. 36 para. 38); S.I. 2009/404, art. 2

F108 Words in s. 125(4) substituted (1.4.2009) by Finance Act 2008 (c. 9), s. 113(2), Sch. 36 para. 83(c) (with Sch. 36 para. 38); S.I. 2009/404, art. 2

Status: Point in time view as at 01/04/2009.

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- F109** S. 125(5) repealed (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), [Sch. 43 Pt. 5\(1\)](#)
- F110** Words in s. 125(6) omitted (1.4.2009) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 113(2), [Sch. 36 para. 83\(d\)](#) (with [Sch. 36 para. 38](#)); [S.I. 2009/404](#), art. 2
- F111** Words in s. 125(6) repealed (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), [Sch. 43 Pt. 5\(1\)](#)

126 Pools payments for football ground improvements.

- (1) This section applies to any payment (including a payment made before the passing of this Act) which, in consequence of the reduction in pool betting duty effected by section 4 above, is made by a person liable to pay that duty in order to meet, directly or indirectly, capital expenditure incurred (whether by the person to whom it is made or any other person) in improving the safety or comfort of spectators at a ground to be used for the playing of association football.

^{F112}(2)

^{F113}(3)

- (4) [^{F114}Section 532 of the Capital Allowances Act 2001][^{F115}(general rule excluding contributions: income and corporation tax)] shall not apply to expenditure of the kind mentioned in subsection (1) above in so far as it has been or is to be met, directly or indirectly, out of a payment to which this section applies.

- (5) Where a payment to which this section applies is made to trustees, the sum received by them and any assets representing it (but not any income or gains arising from them) shall not be relevant property for the purposes of Chapter III of Part III of the ^{M32}Inheritance Tax Act 1984.

Textual Amendments

- F112** S. 126(2) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 353](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F113** S. 126(3) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 353](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F114** Words in s. 126(4) substituted (22.3.2001 with effect as mentioned in [s. 579\(1\)](#) of the amending Act) by [2001 c. 2](#), s. 578, [Sch. 2 para. 72](#)
- F115** Words in s. 126(4) inserted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 416\(4\)](#) (with [Sch. 2](#))

Marginal Citations

- M32** [1984 c. 51](#).

127 Definition of “local authority” for certain tax purposes.

- (1) In the Taxes Act 1988 the following section shall be inserted after section 842—

“842A Local authorities.

- (1) Except so far as the context otherwise requires, in the Tax Acts “local authority” means—
- (a) in relation to England and Wales, an authority of a description specified for the purposes of this paragraph,

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- (b) in relation to Scotland, an authority of a description specified for the purposes of this paragraph, and
 - (c) in relation to Northern Ireland, an authority of a description specified for the purposes of this paragraph.
- (2) The following are the descriptions of authority specified for the purposes of paragraph (a) of subsection (1) above—
- (a) a charging authority for the purposes of the Local Government Finance Act 1988;
 - (b) a precepting authority for the purposes of that Act;
 - (c) a body having power by virtue of regulations under section 74 of that Act to issue a levy;
 - (d) a body having power by virtue of regulations under section 75 of that Act to issue a special levy;
 - (e) a combined police authority established by an amalgamation scheme under the Police Act 1964;
 - (f) a fire authority constituted by a combination scheme under the Fire Services Act 1947;
 - (g) an authority having power to make or determine a rate.
- (3) The following are the descriptions of authority specified for the purposes of paragraph (b) of subsection (1) above—
- (a) a regional council;
 - (b) an islands council;
 - (c) a district council;
 - (d) a joint board or committee within the meaning of the Local Government (Scotland) Act 1973;
 - (e) an authority having power to requisition any sum from an authority falling within any of paragraphs (a) to (c) above.
- (4) The following are the descriptions of authority specified for the purposes of paragraph (c) of subsection (1) above—
- (a) an authority having power to make or determine a rate;
 - (b) an authority having power to issue a precept, requisition or other demand for the payment of money to be raised out of a rate.
- (5) In this section “rate” means a rate the proceeds of which are applicable for public local purposes and which is leviable by reference to the value of land or other property.”

^{F116}(2)

(3) Schedule 18 to this Act (consequential amendments) shall have effect.

(4) This section shall be deemed to have come into force on 1st April 1990.

Textual Amendments

F116 S. 127(2) repealed (6.3.1992 with effect as mentioned in s. 289 (1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 12](#) (with ss.60, 101(1), 201(3), Sch. 11 paras. 20, 22, 26(2), 27).

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128 Repayment of fees and charges.

- (1) This section applies where at the beginning of the day on which this Act is passed—
 - (a) an enactment confers power to make provision for payment of a fee or charge (however described), and
 - (b) sums paid in pursuance of provision made in exercise of the power are payable into the Consolidated Fund.
- (2) Subject to subsection (3) below, the enactment shall be treated as also conferring power to make provision about repayment of sums paid, or purported to be paid, in pursuance of provision made in exercise of the power.
- (3) Subsection (2) above shall not apply if the fee or charge is one—
 - (a) repayment of which is prohibited or regulated by an enactment, or
 - (b) power to make provision about repayment of which is expressly conferred, or expressly negatived, to any extent.
- (4) Without prejudice to the generality of the power conferred by virtue of subsection (2) above, the provision which may be made by virtue of that subsection includes provision—
 - (a) that repayment shall be made only if a specified person is satisfied that specified conditions are met or in other specified circumstances;
 - (b) that repayment shall be made in part only;
 - (c) that, in the case of partial repayment, the amount repaid shall be a specified sum or determined in a specified manner; and
 - (d) for repayment of different amounts in different circumstances.
- (5) In subsection (4) above “specified” means specified in the instrument exercising the power.
- (6) In determining for the purposes of this section whether sums are payable into the Consolidated Fund, section 3 of the ^{M33}Government Trading Funds Act 1973 (payments into a trading fund) shall be disregarded.
- (7) In this section “enactment” includes Northern Ireland legislation as defined in section 24(5) of the ^{M34}Interpretation Act 1978.
- (8) An Order in Council under paragraph 1(1)(b) of Schedule 1 to the ^{M35}Northern Ireland Act 1974 (legislation for Northern Ireland in the interim period) which states that it is made only for purposes corresponding to those of this section—
 - (a) shall not be subject to sub-paragraphs (4) and (5) of paragraph 1 of that Schedule (affirmative resolution of both Houses of Parliament); but
 - (b) shall be subject to annulment in pursuance of a resolution of either House.

Modifications etc. (not altering text)

- C5** S. 128 extended (16.7.1992) by [Finance \(No. 2\) Act 1992 \(c. 48\), s. 13\(3\)](#)
S. 128 extended (3.5.1994) by [1994 c. 9, s. 5, Sch. 2 para. 28](#)
S. 128 amended (1.9.1994) by [1994 c. 22, ss. 58\(2\), 66\(1\)](#) (with s. 57(4))
- C6** S. 128 applied (8.2.2007) by [Wireless Telegraphy Act 2006 \(c. 36\), ss. 70\(3\), 126\(2\)](#)

Marginal Citations

- M33** [1973 c. 63.](#)

Status: Point in time view as at 01/04/2009.

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M34 1978 c. 30.

M35 1974 c. 28.

129 Settlement of stock disputes by deputy registrars.

In section 5 of the ^{M36}National Debt Act 1972 (settlement by Chief Registrar of friendly societies of disputes as to holdings on National Savings Stock Register)—

- (a) in subsection (1), after the words “Chief Registrar of friendly societies” there shall be inserted the words “ or a deputy appointed by him ”,
- (b) in subsection (2), after the words “Chief Registrar” there shall be inserted the words “ or deputy ”,
- (c) in subsection (3)(a), after the words “Chief Registrar of friendly societies” there shall be inserted the words “ or a deputy appointed by him ”, and
- (d) subsection (3)(b) shall cease to have effect.

Marginal Citations

M36 1972 c. 65.

130 Limit for local loans.

In section 4(1) of the ^{M37}National Loans Act 1968 (which provides that the aggregate of any commitments of the Public Works Loan Commissioners in respect of undertakings to grant local loans and any amount outstanding in respect of the principal of such loans shall not exceed £42,000 million or such other sum not exceeding £50,000 million as the Treasury may specify by order) for the words “£42,000 million” and “£50,000 million” there shall be substituted respectively “ £55,000 million ” and “ £70,000 million ”.

Marginal Citations

M37 1968 c. 13.

General

131 Interpretation etc.

- (1) In this Act “the Taxes Act 1970” means the ^{M38}Income and Corporation Taxes Act 1970 and “the Taxes Act 1988” means the ^{M39}Income and Corporation Taxes Act 1988.
- (2) Chapter II of Part I of this Act shall be construed as one with the ^{M40}Value Added Tax Act 1983.
- (3) Part II of this Act, so far as it relates to capital gains tax, shall be construed as one with the ^{M41}Capital Gains Tax Act 1979.

Marginal Citations

M38 1970 c. 10.

Status: Point in time view as at 01/04/2009.

Changes to legislation: Finance Act 1990 is up to date with all changes known to be in force on or before 02 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

<p>M39 1988 c. 1. M40 1983 c. 55. M41 1979 c. 14.</p>
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132 Repeals.

The enactments specified in Schedule 19 to this Act (which include spent or unnecessary enactments) are hereby repealed to the extent specified in the third column of that Schedule, but subject to any provision at the end of any Part of that Schedule.

133 Short title.

This Act may be cited as the Finance Act 1990.

Status:

Point in time view as at 01/04/2009.

Changes to legislation:

Finance Act 1990 is up to date with all changes known to be in force on or before 02 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.