



INCOME TAX
CODIFICATION COMMITTEE

REPORT

VOLUME II

DRAFT OF AN INCOME TAX BILL

*Presented to Parliament by the Financial Secretary
to the Treasury by Command of His Majesty
April 1936*

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OF AN

Income Tax Bill.

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TABLE OF ABBREVIATIONS IN MARGIN.

- 1918 = Income Tax Act, 1918 (8 & 9 Geo. 5. c. 40).
1919 = Finance Act, 1919 (9 & 10 Geo. 5. c. 32).
1920 = Finance Act, 1920 (10 & 11 Geo. 5. c. 18).
1921 = Finance Act, 1921 (11 & 12 Geo. 5. c. 32).
1922 = Finance Act, 1922 (12 & 13 Geo. 5. c. 17).
1923 = Finance Act, 1923 (13 & 14 Geo. 5. c. 14).
1924 = Finance Act, 1924 (14 & 15 Geo. 5. c. 21).
1925 = Finance Act, 1925 (15 & 16 Geo. 5. c. 36).
1926 = Finance Act, 1926 (16 & 17 Geo. 5. c. 22).
1927 = Finance Act, 1927 (17 & 18 Geo. 5. c. 10).
1928 = Finance Act, 1928 (18 & 19 Geo. 5. c. 17).
1929 = Finance Act, 1929 (19 & 20 Geo. 5. c. 21).
1930 = Finance Act, 1930 (20 & 21 Geo. 5. c. 28).
1931 = Finance Act, 1931 (21 & 22 Geo. 5. c. 28).
1931 (No. 2) = Finance (No. 2) Act, 1931 (21 & 22 Geo. 5. c. 49).
1932 = Finance Act, 1932 (22 & 23 Geo. 5. c. 25).
1933 = Finance Act, 1933 (23 & 24 Geo. 5. c. 19).
1934 = Finance Act, 1934 (24 & 25 Geo. 5. c. 32).
1935 = Finance Act, 1935 (25 & 26 Geo. 5. c. 24).

D R A F T

O F A

B I L L

T O

Codify with amendments the law relating to
Income Tax.

BE it enacted by the King's most Excellent Majesty,
by and with the advice and consent of the Lords
Spiritual and Temporal, and Commons, in this present
Parliament assembled, and by the authority of the same,
5 as follows :—

PART I.

INCOME TAX AND INCOME.

GENERAL PROVISIONS AS TO CHARGE OF TAX
AND ASSESSABLE INCOME.

- 10 1. The provisions of this Act apply to income tax charged for any year; and
- (a) the income tax charged at a standard rate (in this Act referred to as "standard tax") shall be charged in respect of income of the various Classes mentioned in this Act, in accordance with the provisions of this Act applicable to those Classes respectively;
- 15
- General provision as to charge of tax. [1918, s. 1; 1927, s. 38.]

PART I.
—cont.

(b) the income tax charged at additional rates in respect of the excess of an individual's total income over a stated amount (in this Act referred to as "surtax") shall be charged in accordance with the provisions of this Act relating to surtax. 5

Year of charge.

[1918, s. 2.]

2.—(1) A year the income for which is to be assessed and for which tax is to be charged shall commence on the sixth day of April and end on the following fifth day of April, and any such year is in this Act referred to as a "year of charge." 10

[1919, s. 28 (part).]

(2) In this Act and in any Act relating to income tax the expression "the year 1936-37," and any corresponding expression in which two years are similarly mentioned, means the year of charge commencing on the sixth day of April in the first mentioned of those years. 15

[1918, s. 210.]

(3) All such provisions relating to returns and assessment of income contained in this Act, or in any other Act relating to tax, as are in force for any year of charge, shall, until an Act of Parliament charging tax for the next subsequent year is passed, continue in force for that subsequent year in the same manner as if tax for that subsequent year had been actually granted by Act of Parliament and the said provisions had been applied thereto by the Act. 20 25

General description of income.

3.—(1) Income in respect of which tax is chargeable must be income of one or other of the Classes mentioned in the Table appended to this section, and income of the Classes contained in Part I of that Table is in this Act referred to as "United Kingdom income," and income of the Classes contained in Part II of that Table is in this Act referred to as "Foreign income." 30

(2) Income of each particular Class (the general nature of which is indicated in the second column of the said Table) shall be that specifically described in the section of this Act mentioned in the third column thereof: 35

Provided that the descriptions contained in the said second column shall not be construed as affecting, either by way of extension or of restriction, the specific descriptions in the sections mentioned in the third column. 40

TABLE.
PART I.—UNITED KINGDOM INCOME.

PART I.
—cont.

5	Class.	General Nature of Income.	Section specifically describing Income.
	Class A	Income from property in land - - - -	Section 10.
	Class B	Income from occupation of certain land - -	Section 16.
	Class C	Tithe rentcharges and other miscellaneous income from land and dues - - - -	Section 18.
10	Class D	Income from trades and professions - - - -	Section 20.
	Class E	Income from offices and employments - - -	Section 32.
	Class F	Pensions - - - - -	Section 35.
15	Class G	Interest, annuities and other annual payments payable out of public revenue - - - -	Section 37.
	Class H	Other interest - - - - -	Section 39.
	Class I	Dividends - - - - -	Section 41.
	Class J	Other annuities and annual payments, including patent royalties - - - - -	Section 43.
20	Class K	Income from certain other sources - - - -	Section 45.

PART II.—FOREIGN INCOME.

25	Class.	General Nature of Income.	Section specifically describing Income.
	Class L	Interest, dividends and other annual payments payable through agents in the United Kingdom - - - -	Section 47.
	Class M	Other interest and dividends, and rent - - -	Section 49.
	Class N	Income from offices and employments - - -	Section 51.
30	Class O	Income from certain other foreign possessions - -	Section 53.

4.—(1) The total income of an individual for any year of charge shall consist of all the income to which he is entitled on his own behalf and not in a fiduciary capacity.

Definition of "total income."
[1918, ss. 18, 19, and 23; 5th Sch., No. XVII.]

35 (2) The amount of that income shall be the aggregate of the following amounts:—

(a) the amount (as assessed for the year of charge) of any income in respect of which the individual is the person directly chargeable with standard tax;

40

PART I.
—cont.

(b) the amount of any income in respect of which he has borne or is liable to bear, by deduction or otherwise than by direct charge, tax at the standard rate for that year;

(c) the amount of any income becoming due and payable in that year which is payable to him free of standard tax, or which is paid without such deduction of tax as is authorised by section 77;

reduced by :—

10

(i) the amount of any sums payable by him in respect of which he is by this Act authorised to deduct tax at the standard rate for that year; and

(ii) the amount in respect of which tax has been repaid, or relief from tax has been granted, otherwise than by means of a reduction of an assessment, to the individual in pursuance of any of the sections and on account of any of the matters mentioned in the Table appended to this section,

such amounts being amounts to which he is entitled or which he is liable to pay on his own behalf and not in a fiduciary capacity.

(3) For the purposes of paragraph (b) of the preceding subsection, where the whole or part of the income from a fund is payable to the individual as of right, or is paid to him or applied for his benefit by virtue of the exercise of a discretionary trust, and that income has been reduced by reason of the payment of tax, the individual shall be deemed to have borne tax in respect of the amount so payable, or so paid or applied, and the income of the individual from the fund shall be such an amount as would, after deduction of tax at the standard rate for the year of charge, be equal to the sum so payable, or so paid or applied.

[1931, s. 7
(2).]

(4) For the purposes of paragraph (c) of subsection (2) of this section the amount of the income shall be such an amount as would after deduction of tax at the standard rate for the year of charge be equal to the sum receivable.

40

TABLE.

PART I.
—cont.

	Sections 55 and 203	Unoccupied buildings or premises.
	Section 95 - -	Loss in business.
5	Section 99 - -	Loss where business transferred to a company.
	Section 101 - -	Maintenance, insurance and management of land.
	Section 102 - -	Lost rent.
	Section 103 - -	Owner's rates in Scotland.
10	Section 104 - -	Interest on advances.
	Section 106 - -	Error or mistake in return.
	Section 175 - -	Commission on copyright royalties, etc.
15	Sections 189, 191 and 192.	Ecclesiastical deductions.
	Section 196 - -	Loss by reason of flood or tempest.
	Section 219 - -	Expenses of management of mineral royalties.
20	Section 239 - -	Expenses of management of patent royalties, etc.

5.—(1) A person whether resident in the United Kingdom or not shall be liable to bear tax in respect of United Kingdom income.

25 (2) A person if resident in the United Kingdom in the year of charge, but not otherwise, shall be liable to bear tax in respect of foreign income.

Liability to tax according to residence.

[Based on 1918, Sch. D, charge; see *Whitney v. C.J.R.*, [1926] A.C. 37; 10 T.C. 88.]

30 6.—(1) An individual shall be treated as being resident in the United Kingdom in a year of charge if he—

Definition of "resident" in the case of an individual.

(a) is in the United Kingdom in the year of charge for a period or periods amounting in all to one hundred and eighty-two days or more; or

[New.]

35 (b) maintains or has maintained for him a dwelling-place in the United Kingdom for a period or periods amounting in all to ninety-one days or more in the year of charge, and is in the United Kingdom for any time in the year of charge; or

PART I.
—cont.

(c) is in the United Kingdom for any time in the year of charge with the intention of setting up a dwelling-place therein, and in that or the following year of charge sets up such a dwelling-place; or 5

(d) having within the four years preceding the year of charge been in the United Kingdom for a period of, or for periods amounting in all to, three hundred and sixty-five days or more, is in the United Kingdom for any time in the year of charge, otherwise than on an occasional or casual visit. 10

(2) An individual who in a year of charge is resident in the United Kingdom but is not resident solely therein :— 15

(a) shall be treated as being principally resident in the United Kingdom if, in the year of charge—

(i) he maintains or has maintained for him a dwelling-place or a place of business in the United Kingdom, but neither a dwelling-place nor a place of business elsewhere; or 20

(ii) he neither maintains nor has maintained for him a dwelling-place or a place of business in any country, but is domiciled in the United Kingdom; 25

(b) shall, in a case to which paragraph (a) does not apply, be treated as being principally resident in the United Kingdom if he appears in view of all the circumstances of his case to be so resident, regard being had in particular to his domicile, nationality, and habits of life. 30

Definition of
“resident”
in the case
of a
company.
[New.]

7. A company shall be treated as resident in the United Kingdom in a year of charge if it is controlled in the United Kingdom, or if it maintains in that year an established place of business in the United Kingdom and any substantial part of the activities of the company, whether administrative or other, is conducted in the United Kingdom, but a company shall not be treated as so resident by reason only of the fact that it has a 35

registered office in the United Kingdom at which is transacted such administrative business only as is necessary to comply with the requirements of the Companies Act, 1929. PART I.
—cont.

5 **8.**—(1) The income for any year of charge in respect of which tax is chargeable (in this Act referred to as “assessable income”) shall in the case of each particular Class be computed in such manner, and by reference to such year of computation, as is mentioned in
10 the provisions applicable to that Class, subject however to the provisions of this Part of this Act relating to commencements and cessations of businesses and income. General provisions as to computation of income.

(2) Where as respects income from any source the year of computation is a year preceding the year of
15 charge, and no income from that source arises in the year of charge, there shall nevertheless be deemed to be assessable income from that source for that year of charge if, but not unless, the person to be charged with tax in respect of the income was during some part of the year of
20 charge in possession of the source of the income. [1926, s. 22 (1).]

(3) Where the amount of any assessable income is to be computed by reference to the amount becoming due and payable in any year, and that amount remains wholly or partly unpaid in that year, then the amount
25 remaining unpaid shall not be treated as having become due and payable in that year, but, if and so far as it is paid in any subsequent year, shall be treated as having become due and payable in that subsequent year. [New.]

(4) Where the amount of any assessable income is to be computed by reference to the amount received
30 in the United Kingdom, the amount so received shall include the actual sums received in the United Kingdom from— [1918, Sch. D., Case V., r. 2.]

- (a) remittances;
- 35 (b) property imported;
- (c) money or value arising from property not imported;
- (d) money or value received on credit or on account
40 in respect of any such remittances, property, money or value.

PART I.
—cont.

Provisions
as to pay-
ments out
of taxed or
taxable
income.

[1918, Gen.
rr. 19 & 21;
see *A.-G. v.*

*Metropo-
litan Water
Board,*

[1928]

1 K.B. 833;
13 T.C. 294.]

9.—(1) Where in any year of charge a payment of income of Class F, Class H or Class J is made, and the person by or on whose behalf the payment is made has for that year any source or sources of income of any Class income from which is lawfully applicable to making the payment, and is income in respect of which that person has borne or is liable to bear (whether by direct charge, deduction or otherwise) tax at the standard rate for that year, then—

(a) if the amount of the taxed or taxable income from that source or those sources is equal to or exceeds the payment, the payment shall for the purposes of this Act be deemed to be, and is in this Act referred to as, a payment made wholly out of taxed or taxable income; 15

(b) if the amount of the taxed or taxable income from that source or those sources is less than the payment, the payment shall for the purposes of this Act be deemed to be, and is in this Act referred to as, a payment made partially out of taxed or taxable income. 20

(2) Where in any year of charge more than one such payment is made by or on behalf of the same person, then, in determining the sufficiency or insufficiency of the taxed or taxable income, all such payments shall be aggregated. 25

(3) For the purposes of this section the amount of the taxed or taxable income—

(a) in the case of income in respect of which the person by or on whose behalf the payment is made has borne or is liable to bear tax by direct charge, shall be the amount of the income as assessed for the year in question; 30

(b) in any other case, shall be the amount of the income in respect of which that person has borne or is liable to bear, otherwise than by direct charge, tax at the standard rate for that year. 35

DESCRIPTION AND COMPUTATION OF INCOME OF
VARIOUS CLASSES.PART I.
—cont.

UNITED KINGDOM INCOME.

Provisions applicable to Class A.

- 5 **10.** Income shall be deemed to arise from the enjoyment of property in land situated in the United Kingdom, and that income is income of Class A. Description of income of Class A. [1918, Sch. A, Charge.]
- 10 **11.**—(1) In the case of income of Class A the assessable income shall be the annual value of the land for the year of charge. Computation of income of Class A. [1918, Sch. A, No. I and No. IV.]
- (2) The annual value of any land shall be the rental value thereof subject to the authorised deductions.
- 15 **12.** Except where by virtue of the next succeeding section the rent reserved by a lease, or that rent as adjusted, is to be taken as the rental value, the rental value of any land shall be the rent at which the land might reasonably be expected to let from year to year if the tenant undertook to pay all usual tenant's rates, and if the landlord undertook to bear any unredeemed Computation of rental value. [1918, Sch. A, No. I (2).]
- 20 land tax, the cost of repairs and insurance, and any other expenses necessary to maintain the land in a state to command that rent, including the owner's drainage rates and embankment expenses (if any).
- 25 **13.**—(1) Where the land is let, and the rent has been fixed by a lease commencing within seven years immediately before the commencement of the year of charge, the rent reserved by the lease shall be taken to be the rental value unless— Cases where rent to be taken as rental value. [1918, Sch. A, No. I (1), No. IV, rr. 7, 9 and 10.]
- 30 (a) any part of the consideration for the lease consists of a premium, or of improvements effected or to be effected by the tenant; or
- 35 (b) the lease has been assigned to the tenant, and any consideration has been given for the assignment beyond the assumption by the assignee of the obligations of the lessee under the lease; or
- (c) the landlord or the tenant undertakes to bear any such burden as is assumed in the preceding section to be undertaken by the other; or,

PART I.
—cont.

- (d) the rent reserved by the lease is a varying rent;
or
(e) for any reason the rent reserved by the lease represents more or less than the full consideration for the enjoyment of the land.

5

[1918,
Sch. A,
No. IV,
rr. 9 & 10.]

(2) Neither an undertaking by a landlord to pay usual tenant's rates, nor an undertaking by a tenant to bear any unredeemed land tax or any owner's drainage rates, shall, of itself, be a circumstance requiring the rental value to be ascertained under section 12, but, if this section is in other respects applicable—

- (a) where a landlord has undertaken to pay usual tenant's rates, the amount of the rent reserved by the lease, decreased by the amount payable by the landlord on account of such rates for the year preceding the year of charge, shall be the rental value;
(b) where a tenant has undertaken to bear any land tax or any owner's drainage rate, the amount of the rent reserved by the lease, increased by the amount payable by the tenant on account of such land tax or drainage rate for the year preceding the year of charge, shall be the rental value.

Authorised
deductions.

14. The authorised deductions to be made from the rental value in arriving at the annual value shall be the following:—

[1918, Sch. A,
No. V, r. 7.]

(1) Such amount on account of repairs as is herein-after mentioned:

[1918, Sch. A,
No. VII,
r. 7 (2).]

(2) Any tithe rentcharge or any other rentcharge in lieu of tithe:

[1918, Sch. A,
No. V., r. 1 (e).]

(3) Any land tax payable:

[1918, Sch. A,
No. V, r. 1 (f).]

(4) The amount of any owner's drainage rate:

[1918,
Sch. A,
No. V,
r. 1 (g).]

(5) Any embankment expenses, that is to say, the average amount expended annually by the landlord or owner of the land during the twenty-one years preceding the year of charge in the making or repairing of sea-walls or other embankments necessary for the protection of the land against the sea or any river.

40

15. The amount to be deducted from the rental value of any land on account of repairs (in this Act referred to as the repairs deduction) shall be ascertained in accordance with the following provisions :—

PART I.
—cont.
Repairs deduction.
[1918, Sch. A, No. V, r. 7; 1923, s. 28; 1928, s. 20.]
[1918, Sch. A, No. V, r. 7 (1) (a).]
[1918, Sch. A, No. V, r. 7 (1) (b); 1923, s. 28 (1).]
[1923, s. 28 (2); 1935, s. 24.]

5 (1) In a case where the rental value is that of land on which there is no building, the repairs deduction shall, subject to the provisions of this section, be one-eighth of the rental value.

10 (2) In a case where the rental value is that of a building, the repairs deduction shall, subject to the provisions of this section, be a sum ascertained in accordance with the following table :—

Where the rental value—
15 does not exceed forty pounds, one-fourth of the rental value;
exceeds forty pounds, but does not exceed fifty pounds, ten pounds;

20 exceeds fifty pounds but does not exceed one hundred pounds, one-fifth of the rental value;

25 exceeds one hundred pounds, twenty pounds, together with one-sixth of the amount by which the rental value exceeds one hundred pounds.

30 (3) In a case where the rental value is that of premises comprising both a building and land on which there is no building, the rental value shall for the purpose of ascertaining the amount of the repairs deduction be apportioned between the building and the land on which there is no building, and for the purposes aforesaid the part apportioned to the building shall be treated as the rental value of the building, and the part apportioned to the land on which there is no building as the rental value of that land.

35
40 (4) Where a tenant is chargeable as occupier of a building and has undertaken to bear the cost of repairs, the repairs deduction shall be limited to such sum as may be necessary to reduce the rental value to the amount of the rent payable by him.

PART I.
—cont.

(5) The repairs deduction shall be one-eighth of the rental value—

(a) in the case of a farm which is let, as respects not only the lands of the farm, but also as respects any farmhouse or farm building let with those lands and occupied solely for the purpose of farming those lands;

(b) in the case of a farm which is not let, as respects not only the lands of the farm, but also as respects any farm building (other than the farmhouse) used for the purposes of husbandry.

[1918,
Sch. A,
No. V,
r. 7 (2);
1923,
s. 28 (3).]

(6) No repairs deduction shall be allowed if the rent exceeds the rental value and the excess is greater than the repairs deduction which would be allowable if the rental value were equal to the rent. 15

(7) For the purposes of this section—

(a) “building” includes the site thereof and all courts, yards and offices attached thereto, and in the case of a dwelling-house, includes also any gardens or pleasure grounds occupied therewith to the extent of one acre; 20

(b) “rent” means the actual rent, or, where the landlord has undertaken to bear the usual tenant’s rates or the tenant has undertaken to bear any land tax or any owner’s drainage rate, the actual rent subject to the adjustments mentioned in subsection (2) of section 13, or, where the rent includes the value of any services rendered or goods provided by the landlord otherwise than by way of repairs or maintenance, the actual rent, or the actual rent so adjusted, subject to a deduction of the amount of that value. 35

[1918,
Sch. A,
No. V, r. 7
(2).]

Provisions applicable to Class B.

Description
of income of
Class B.
[1918,
Sch. B,
Charge.]

16.—(1) Income shall be deemed to arise from the occupation of land situated in the United Kingdom (including any building used for the purposes of husbandry, but not including any other building), and that income is income of Class B. 40

(2) For the purposes of Class B a dwelling-house shall not be treated as a building used for the purposes of husbandry unless it is a farmhouse let with the lands of a farm and occupied solely for the purpose of farming those lands.

PART I.
—cont.
[1918,
Sch. A,
No. I;
1918,
Sch. B,
r. 1.]

(3) The expression “building” includes the site thereof and all courts, yards and offices attached thereto, and in the case of a dwelling-house, includes also any gardens or pleasure grounds occupied therewith to the extent of one acre.

17.—(1) In the case of income of Class B, the assessable income shall be the occupation value of the land for the year of charge.

Computation of income of Class B.

(2) The occupation value of land shall, if the land is used wholly or mainly for the purposes of husbandry, be the rental value thereof computed in the same manner as for the purpose of Class A, and shall in any other case be one-third of the rental value thereof as so computed.

[1918,
Sch. B,
rr. 1 and 2:
1922, s. 2
(1).]

20 Provisions applicable to Class C.

18. Income of Class C is income of the following descriptions arising in the United Kingdom :—

Description of income of Class C.

- (a) tithe rentcharges (including other rentcharges in lieu of tithes);
- 25 (b) tithes, payments in lieu of tithes (not being tithe rentcharge), and ecclesiastical dues;
- (c) manorial dues, royalties and services;
- 30 (d) fines received in consideration of any demise of land (not being parcel of a manor or royalty demisable by the custom thereof);
- 35 (e) rent or annual payments received in consideration of the grant of an easement, profit *à prendre*, or other right in or over land, except in so far as the value of the right has been taken into consideration in arriving at the rental value of the land owned or occupied by the grantee of the right,

[1918,
Sch. A,
No. I;
Sch. A,
No. II.]

and, notwithstanding that any such income arises from land, it shall not be income of Class A.

PART I.
—cont.
Computation
of income of
Class C.
[1918,
Sch. A,
No. I;
No. II,
rr. 1, 2, 3
& 5;
No. IV,
r. 1 (b);
No. VII,
r. 7; 1926,
s. 28 &
3rd Sch.]

19.—(1) In the case of tithe rentcharges and other rentcharges in lieu of tithe, tithes, payments in lieu of tithes, and other ecclesiastical dues, the assessable income shall be the amount of the profits thereof becoming due and payable for the year of computation, and in computing those profits the following deductions shall be allowed :—

- (a) the amount of any rates payable in respect of the rentcharge, tithes, payments or dues for the year of computation; 10
- (b) the amount of any land tax payable in respect of the rentcharge, tithes, payments or dues for the year of computation;
- (c) any expenditure reasonably incurred for the purposes of collection. 15

(2) In the case of any other income of Class C the assessable income shall be the amount of the profits arising for the year of computation, and in computing those profits there shall be allowed any expenditure reasonably incurred for the purposes of collection : 20

Provided that in the case of a fine received in consideration of a demise of land, if it is proved that any part of the fine has been applied as productive capital from which income has arisen or will arise, and that tax will be chargeable for the year of charge in respect of that income, the amount so applied may be allowed as a deduction in computing the profits. 25

(3) The year of computation shall be the year preceding the year of charge.

Provisions applicable to Class D. 30

Description
of income of
Class D.

20.—(1) Income of Class D is income (not being income of any of the foregoing Classes) from any trade or profession (in this Act comprehensively referred to as “ business ”) carried on in the United Kingdom.

- (2) In the case of— 35
 - (a) a business which is carried on wholly in the United Kingdom, the whole of the business;

(b) a business which is carried on partly in the United Kingdom and partly elsewhere, that part of the business which is carried on in the United Kingdom,

PART 1.
—cont.

5 shall for the purposes of this Act be treated as a business carried on in the United Kingdom.

21. For the purposes of Class D :—

When
business to
be treated
as carried on
in United
Kingdom.
[New.]

(1) Where a business is carried on by a company or partnership—

10 (a) the business shall be treated as carried on wholly in the United Kingdom—

(i) if the operations or activities of the business take place in the United Kingdom; or

15 (ii) if the control of the business is in the United Kingdom, notwithstanding that some or all of the other operations or activities of the business take place outside the United Kingdom :

20 (b) the business shall be treated as carried on partly in the United Kingdom and partly elsewhere if the control is not in the United Kingdom, but some of the operations or activities of the business take place in the United Kingdom.

(2) Where a business is carried on by an individual—

(a) the business shall be treated as carried on wholly in the United Kingdom—

30 (i) if the operations or activities of the business take place in the United Kingdom; or

35 (ii) if the individual is solely or principally resident in the United Kingdom, notwithstanding that some or all of the operations or activities of the business take place outside the United Kingdom :

40 (b) the business shall be treated as carried on partly in the United Kingdom and partly elsewhere if the individual is not solely

PART I.
—cont.

or principally resident in the United Kingdom, but some of the operations or activities of the business take place in the United Kingdom.

- (3) A business shall not be treated as carried on 5
partly in the United Kingdom unless either—
- (a) sales; or
 - (b) other transactions from which profit may directly result; or
 - (c) manufacturing operations 10

take place in the United Kingdom; and in particular the buying of goods or canvassing for orders in the United Kingdom for the purposes of a business carried on elsewhere shall not of itself be treated as the carrying 15
on of that business in the United Kingdom.

- (4) "Control" in relation to any business means the chief directing power, but the power of voting by members of a company shall not of itself constitute control. 20

Computation of income of Class D. [1918, Sch. D, Cases I & II, rr. 1, 3, 4, 5, 6, 7; 1926, s. 29; 1930, s. 14.]

22.—(1) In the case of income of Class D the assessable income shall be the amount of the profits for the year of computation of the business carried on in the United Kingdom.

(2) The year of computation shall be ascertained as follows:— 25

- (a) Where in the case of any business an account or accounts have been made up to a date or dates within the period of three years immediately preceding the year of charge, then— 30

(i) if one account only was made up to a date within the year preceding the year of charge, and that account was for the period of one year which began either at the commencement of the business or at the end of the period 35
on the profits of which the assessable income for the last preceding year of charge was to be computed, the year for which that account was made up shall be the year of computation;

(ii) in any case to which the provisions of 40
sub-paragraph (i) do not apply, such period

of twelve months ending within the year preceding the year of charge as may be determined by the Board shall be the year of computation;

PART I.
—cont.

5 (b) In any case where no such accounts have been made up, the year preceding the year of charge shall be the year of computation.

(3) Where the Board have given a decision under sub-paragraph (ii) of paragraph (a) of the preceding section, and it appears to them that in consequence thereof the year of computation for the preceding year of charge should correspond with that fixed under the said sub-paragraph, they may give directions to that effect, and thereupon any such assessment or additional assessment as may appear necessary shall be made, or, on a claim being made for the purpose, the assessment shall be reduced or any tax over-paid repaid, as the case may require. [1926, s. 34 (2).]

10
15

(4) If the person carrying on the business is aggrieved by any determination or direction by the Board under the foregoing provisions of this section, he may appeal to the Special Commissioners in manner provided by Part VIII of this Act. [New.]

20

(5) Any period for which accounts of a business are made up is hereinafter referred to as an accounting period; and where the year preceding the year of charge is, by virtue of paragraph (b) of subsection (2) of this section, the year of computation, that year shall be treated as an accounting period.

25

23.—(1) Where the year of computation is an accounting period, the profits for that accounting period shall be the profits for the year of computation. Computation of profits of year of computation from profits of accounting periods. [1926, s. 35.]

30

(2) Where the year of computation is not an accounting period, such division and apportionment to specific periods of the profits or losses for any accounting periods, and such aggregation of any such profits or losses or any apportioned part thereof, shall be made as is necessary to arrive at the profits for the year of computation.

35

Any apportionment under this subsection shall be made in proportion to the number of months or fractions of months in the respective periods.

40

(3) Where for any of the purposes of this Act it is necessary to compute the amount of profits for any

PART I.
—*cont.*

period which is not an accounting period nor a year of computation, subsection (2) of this section shall apply as if for the reference to the year of computation there were substituted a reference to the period the profits for which are to be computed. 5

(4) For the purposes of this Act, losses shall be computed in like manner as profits.

Rules for computation of profits.

[1918, Sch. D, Case I, r. 1; Case II, r. 1.]

24. The amount of the profits of a business for any accounting period shall be computed in accordance with the ordinary commercial principles applicable to the computation of profits of that business : 10

Provided that whether or not in accordance with such principles :—

(1) In respect of the matters hereinafter mentioned, deductions shall be permitted in accordance with the provisions hereinafter mentioned, and not otherwise, that is to say :— 15

[1918, Sch. D, Cases I & II, r. 6.]

(a) wear and tear of machinery and plant, as provided in section 25;

[1918, Sch. D, Cases I & II, r. 7.]

(b) replacement of obsolete machinery and plant, as provided in section 26; 20

[1918, Sch. D, Cases I & II, r. 3 (d).]

(c) replacement of implements, utensils or articles as provided in section 27;

[1918, Sch. D, Cases I & II, rr. 3 (c) & 5; 1919, s. 18; 1921, s. 31.]

(d) the annual value and the occupation value of any premises occupied for the purposes of the business as provided in section 28; 25

[1918, Sch. D, Cases I & II, r. 5; 1919, s. 18.]

(e) depreciation of buildings being mills, factories, or similar premises, as provided in section 29; 30

[1918, Sch. D, Cases I & II, r. 3 (i).]

(f) bad and doubtful debts, except those arising upon transactions of a capital nature, as provided in section 31; 35

[1921, s. 32.]

(g) contributions to superannuation funds, as provided in section 225; 35

[1935, s. 25.]

(h) contributions in furtherance of rationalisation schemes, as provided in section 231.

[1918, Sch. D, Cases I & II, r. 3 (f) & (g).]

(2) No deduction other than a deduction expressly permitted under paragraph (1) of this proviso shall be permitted in respect of— 40

(a) any loss, diminution, exhaustion or withdrawal of capital, any sum employed or intended to be employed as capital, or any expenditure for a capital purpose; or

(b) any sum transferred to a reserve account where the transfer would, in accordance with such ordinary commercial principles as aforesaid, be treated as an appropriation of profits.

PART I.
—cont.

[New.]

5 (3) No deduction shall be permitted in respect of—

(a) any item of expenditure or of charge except so far as it is attributable to, and incurred for the purposes of, the business;

[1918, Sch. D, Cases I & II, r. 3 (e).]

10 (b) the maintenance of the person carrying on the business or of his family, or any expenditure for any other domestic or private purpose;

[1918, Sch. D, Cases I & II, r. 3 (b).]

15 (c) any loss except so far as it arises from the business, and, in the case of loss subject to average adjustment, except the amount of loss after adjustment;

[1918, Sch. D, Cases I & II, r. 3 (e) & (j).]

20 (d) any yearly interest, annuity, or other annual payment charged on or payable out of the profits;

[1918, Sch. D, Cases I & II, r. 3 (d).]

(e) any royalty or other sum paid in respect of the use of a patent.

[1918, Sch. D, Cases I & II, r. 3 (m).]

25.—(1) Deductions in respect of wear and tear of machinery and plant shall be subject to the following provisions:—

Deductions in respect of wear and tear of

30 (a) The machinery or plant must be machinery or plant used for the purposes of the business, and (subject to the provisions of paragraph (e) of this subsection) must belong to the person by whom the business is carried on;

machinery and plant. [1918, Sch. D, Cases I & II, r. 6 (1).]

35 (b) The deduction shall be in respect of the diminution in the value of the machinery or plant by reason of wear and tear in the accounting period, and shall be the amount representing such diminution in value, increased by one-tenth of that amount;

[r. 6 (1); 1932, s. 18.]

40 (c) Where any machinery or plant has become worn out and is replaced in the accounting period, there shall be allowed a deduction of such amount as would be allowed under the next succeeding section if the machinery or plant had become obsolete;

[New.]

PART I.
cont.[1918,
Sch. D,
Cases I & II,
r. 6 (6).]

(d) A deduction shall not be allowed in any accounting period so as to bring the sum of all such deductions allowed to the person by whom in that period the business is carried on beyond the actual cost to that person of the machinery or plant, or other consideration given by him therefor, adjusted by the addition of the amount of expenditure, if any, in the nature of capital expenditure upon the machinery or plant incurred since the date of acquisition; 5 10

[r. 6 (2).]

(e) Where any machinery or plant is used for the purposes of the business on such terms that the burden of the wear and tear thereof falls upon the person by whom the business is carried on, but the machinery or plant does not belong to him, he shall be entitled to any deduction to which he would have been entitled if the machinery or plant had belonged to him; 15

[r. 6 (5).]

(2) Where any machinery or plant is used for the purposes of a business but does not belong to the person carrying on the business, and the burden of the wear and tear thereof falls upon the person to whom the machinery or plant belongs, the last-mentioned person shall be entitled to relief in accordance with the provisions of section 240. 20 25

Deductions
in respect of
replace-
ment of
obsolete
machinery
and plant.[1918,
Sch. D,
Cases I & II,
r. 7.]

26. Deductions in respect of the replacement of obsolete machinery and plant shall be subject to the following provisions:—

- (1) The machinery or plant must be machinery or plant used or available for use for the purposes of the business and must belong to the person by whom the business is carried on; 30
- (2) The amount of the deduction shall be so much of any liability incurred in replacing in the accounting period any machinery or plant which has become obsolete as is equivalent to the actual cost to that person of the machinery or plant, or other consideration given by him therefor, adjusted by— 35

(a) the addition of the amount of expenditure (if any) in the nature of capital expenditure upon the machinery or plant incurred since the date of acquisition; and 40

(b) the subtraction of—

PART I.
—cont.

(i) the aggregate amount of the deductions, if any, previously made in respect of the wear and tear of such machinery or plant since the date of acquisition, and

(ii) any sum which has been or could be realised by the sale of the machinery or plant.

27. Deductions in respect of the replacement of implements, utensils or articles shall be subject to the following provisions:—

Deductions in respect of replacement of implements, etc.

(1) The deduction shall be the amount of any liability incurred in replacing in the accounting period any implements, utensils or articles used for the purposes of the business;

[1918, Sch. D, Cases I & II, r. 3 (d).]
[New.]

(2) Where for the accounting period, or for any previous accounting period, a deduction has been allowed under section 25 in respect of wear and tear of any implement, utensil or article, no deduction for the replacement thereof shall be allowed under this section.

28. Deductions in respect of the annual value and of the occupation value of land occupied for the purposes of a business shall be subject to the following provisions:—

Deductions in respect of annual and occupation value.

(1) The annual value of the land as computed for the purposes of Class A shall be deducted:

[1918, Sch. D, Cases I & II, r. 5.]

(2) Where a deduction in respect of the annual value of any land is made and rent is payable for the land, no deduction in respect of that rent shall be allowed except in so far as the rent exceeds the annual value:

(3) If and so far as land comprises a dwelling-house or other premises part only whereof is used for the purposes of the business, the sum to be deducted on account of the annual value, and of the excess of the rent, if any, over the annual value, of those premises, shall be such part only of the annual value and of that excess as is proportionate to the part so used, and shall not in the case of a dwelling-house, except in special circumstances, exceed two-thirds of such annual value and excess respectively:

[1918, Sch. D, Cases I & II, r. 3 (c); 1921, s. 31.]

PART I.
—cont.

[New.]

(4) If and so far as the land comprises land the income from the occupation whereof is income of Class B, the occupation value of that land may be deducted :

(5) Where, in the case of any land, tax is not charge- 5
able in respect of the annual value, or of the occupation value, the amount to be allowed as a deduction under this section shall be an amount equal to the annual value or occupation value of the land, or to both such values, as the case may 10
be, computed in like manner as for the purposes of Class A and of Class B, respectively.

(6) Nothing in this section shall apply to land situated outside the United Kingdom.

29. Deductions in respect of depreciation of 15
premises occupied for the purposes of a business shall be subject to the following provisions :—

(1) The premises must be a mill, factory or similar premises, and, if situated outside the United Kingdom, must be owned by the person carrying 20
on the business :

(2) The deduction shall—

(a) if the premises are situated in the United Kingdom, be an amount equal to the repairs deduction, or, where tax is not charge- 25
able in respect of the annual value of the premises, an amount equal to what would have been the repairs deduction had tax been so chargeable ;

(b) if the premises are situated outside the 30
United Kingdom, be an amount equal to one-sixth of the rental value thereof, computed in like manner as rental value is computed for the purposes of Class A.

30.—(1) Where the accounting period does not 35
coincide with a year of charge, then, for the purposes of the two preceding sections, such division and apportionment to specific periods of annual values, occupation values, rental values and repairs deductions, and such aggregation of apportioned parts thereof, shall be made 40
as may be necessary to arrive at the sums properly attributable to the accounting period in respect of annual value, occupation value, rental value and repairs

[1919,
s. 18 (3);
Sinclair v.
Cadbury
Bros. Ltd.
[1934]2K.B.
389;
18 T.C.
157.]

[1918, Sch. D,
Cases I & II,
r. 5 (1).]

Deductions
in respect of
depreciation
of premises.

[1918,
Sch. D,
Cases I & II,
r. 5 (2);
1919, s. 18.]

Apportion-
ment, etc.,
of annual
value, etc.,
to account-
ing period.

[Based on
1926, s. 35.]

deduction; and the two last preceding sections shall have effect as if for references to annual value, occupation value, rental value and repairs deduction there were substituted references to the sums so arrived at.

PART I.
—cont.

5 (2) Any apportionment under this section shall be made in proportion to the number of months or fractions of months in the respective periods.

31. Deductions in respect of bad and doubtful debts shall be subject to the following provisions:—

Deductions in respect of bad and doubtful debts. [1918, Sch. D, Cases I & II r. 3 (i).]

10 (1) (a) in respect of a bad debt, whenever the debt arose, there may be deducted so much of the debt as is discovered in the accounting period to have become bad;

15 (b) in respect of a doubtful debt, whenever the debt arose, there may be deducted so much of the debt as is estimated in the accounting period to have become irrecoverable:

20 Provided that where in any accounting period a deduction under this section is to be made as respects any particular debt, and a deduction has in any previous accounting period been allowed in respect of the same debt, the appropriate reduction shall be made in the deduction to be allowed in the accounting period in question.

25 (2) If any amounts received or credited on account of any such debt exceed the amount of the debt as reduced by the deductions allowed under the foregoing provisions, the excess received or credited in any accounting period shall be treated as a receipt of the business in that period.

[New.]

Provisions applicable to Class E.

35 32.—(1) Income of Class E is income from any office or employment held or exercised in the United Kingdom.

Description of income of Class E.

(2) An office or employment shall be treated as held or exercised in the United Kingdom if it is—³

[1918, Sch. E, Charge.]

40 (a) a public office or employment, wherever the duties thereof are performed;

(b) an office or employment (not being a public office or employment) the whole or part of the

PART I.
—cont.

duties whereof are performed in the United Kingdom, but if the duties thereof are performed mainly outside the United Kingdom it shall be so treated to the extent only to which the duties are performed in the United Kingdom. 5

Public
offices and
employ-
ments.

33.—(1) For the purposes of Class E the offices and employments which are to be treated as public offices and employments are the following, that is to say:—

- [1918,
Sch. E,
r. 6.]
[r. 6 (c).]
- (a) any office or employment under the Crown, the emoluments whereof are payable out of the public revenues of the United Kingdom or the public revenues of Northern Ireland, except as is hereinafter otherwise provided; 10
- [r. 6 (a).]
- (b) any office belonging to either House of Parliament of the United Kingdom or either House of Parliament of Northern Ireland, or the office of member of any such House; 15
- [r. 6 (b).]
- (c) any office belonging to any court of justice in the United Kingdom; 20
- [r. 6 (c).]
- (d) any office under the Duchy of Lancaster or the Duchy of Cornwall;
- [r. 6 (g).]
- (e) any ecclesiastical office, or office or employment under any ecclesiastical body in the United Kingdom; 25
- [r. 6 (i).]
- (f) any office or employment under any public institution or foundation in the United Kingdom;
- [r. 6 (j).]
- (g) any office or employment under any local or other public authority in the United Kingdom;
- (h) the office of a director, by whatever name called, of a company constituted according to the laws of Great Britain or Northern Ireland, except as is hereinafter otherwise provided. 30

(2)—(a) An office or employment under the Crown shall not be treated as a public office or employment if it is of a temporary character and the total emoluments thereof are less than five hundred pounds per annum and the duties thereof are wholly performed outside the United Kingdom. 35

(b) The office of a director of a company shall not be treated as a public office or employment if— PART I.
—cont.

5 (i) meetings of the board of directors or other governing body of the company are ordinarily held outside the United Kingdom; or

10 (ii) the director, owing to the nature of his duties, is continuously resident outside the United Kingdom, and is not required to and does not attend meetings of the board or other governing body held in the United Kingdom.

15 34.—(1) In the case of income of Class E the assessable income shall be the emoluments of the office or employment held or exercised in the United Kingdom (as reduced by the authorised deductions) for the year of computation. Computation of income of Class E.
[Sch. E, r. 1;

(2) The year of computation shall be the year preceding the year of charge. Sch. D, Case II; 1922, s. 18

(3) The authorised deductions shall be— (1.)

20 (a) any expenses exclusively and necessarily incurred in the performance of the duties of the office or employment; [Sch. E, r. 9.]
[1922, s. 31;

(b) contributions for superannuation purposes as provided in section 224; 1921, s. 32
(1.)

25 (c) such sums on account of wear and tear of, and the replacement of obsolete, machinery and plant, or on account of replacement of any implements, utensils or articles, as would be allowable in the case of income of Class D if the holder of the office, or the [1925, s. 16.]

30 employee, had been carrying on a business.

Provisions applicable to Class F.

35 35.—(1) Income of Class F is income from any pension arising in the United Kingdom. Description of income of Class F.

(2) "Pension" means any annual payment payable in respect of the service of an individual in an office or employment previously held or exercised by him, or in respect of his loss of such office or employment, and payable to him, or to his wife, widow or child, or to any relative or dependant of his, if— [1918, Sch. E, r. 1.]
[1932, s. 17.]

40 (a) payable in pursuance of a legal obligation; or

PART I.
—cont.

(b) payable otherwise than in pursuance of a legal obligation by or on behalf of the person, or any successor of the person, under whom the office or employment was held or exercised.

(3) The person to whom the pension is payable, whether or not in pursuance of a legal obligation, shall for the purposes of this Act be treated as the person entitled to the income.

Computation of income of Class F.
[1927, s. 45.]

36.—(1) In the case of income of Class F the assessable income shall be the amount of the pension for the year of computation. 10

(2) The year of computation—

- (a) where the person to be charged with tax is the person by whom the income is paid, shall be the year of charge; 15
- (b) in any other case, shall be the year preceding the year of charge.

Provisions applicable to Class G.

Description of income of Class G.
[Sch. C, Gen. r. 1 (a).]

37. Income of Class G is any interest, annuity or other annual payment payable out of the public revenue of the United Kingdom or of Northern Ireland. 20

Computation of income of Class G.
[Sch. C, Gen. r. 1 (a); 1926, s. 30 (3) & (4).]

38.—(1) In the case of income of Class G the assessable income shall be the amount of the interest, annuity or annual payment becoming due and payable in the year of computation. 25

(2) The year of computation—

- (a) where the person to be charged with tax is the person entrusted with the payment, shall be the year of charge;
- (b) in any other case, shall be the year preceding the year of charge. 30

[Sch. D, Case III, r. 1 (c), (d), (f).]

Provisions applicable to Class H.

Description of income of Class H.
[1918, Sch. D, Case III, rr. 1 & 2; Gen. r. 21.]

39.—(1) Income of Class H is any interest, yearly or other, arising in the United Kingdom, not being income of Class G. 35

(2) For the purposes of this section "interest" includes interest arising from stocks, bonds, debentures, mortgages and securities, and interest on money deposited or owed.

Computation of income of Class H.

40.—(1) In the case of income of Class H the assessable income shall be the amount of the interest becoming due and payable in the year of computation. 40

(2) The year of computation—

- (a) where the person to be charged with tax is the person by whom the income is paid, shall be the year of charge;
- 5 (b) in any other case, shall be the year preceding the year of charge.

PART I.
—cont.
[1918,
Sch. D,
Case III,
rr. 1 & 2;
Gen. r. 21.]

Provisions applicable to Class I.

41.—(1) Income of Class I is income from dividends arising in the United Kingdom from any shares of any company, so far as such dividends are paid out of rents and profits arising from land situated in the United Kingdom (including profits from the occupation thereof), or are paid out of income which is within the description in this Act of income of any Class other than Class A or Class B.

Description
of income of
Class I.
[1931, s. 7
(1).]

(2) Nothing in this Act shall render any person liable to be directly charged with standard tax in respect of any dividend so arising.

42.—(1) In the case of income of Class I the assessable income shall be the amount of the dividends becoming due and payable in the year of computation, and the year of computation shall be the year of charge.

Computa-
tion of
income of
Class I.

(2) The amount of any such dividend shall—

[1918, Gen.
r. 20; 1930,
s. 12; 1931,
s. 7 (2).]

(a) if the dividend is paid subject to such deduction of tax as is authorised by section 77, be the gross amount of the dividend before such deduction;

(b) if the dividend is paid free of tax, or without such deduction of tax as is authorised by section 77, be such an amount as would, after such deduction of tax as is so authorised, be equal to the amount paid.

Provisions applicable to Class J.

43.—(1) Income of Class J is any annuity or other annual payment arising in the United Kingdom, not being income of any of the foregoing Classes.

Description
of income of
Class J.

(2) For the purposes of this section "annual payment" includes any annual payment arising in the

[1918,
Sch. D,
Case III,

PART I.
—*cont.*
r. 1; 1918,
Gen. rr. 19
and 21.]

United Kingdom, whether payable within or out of the United Kingdom, and at whatever intervals it is payable, and any royalty or other sum payable in respect of the use of a patent granted in the United Kingdom.

Computa-
tion of
income of
Class J.

[1918,
Sch. D,
Case III,
r. 2 (*part.*)]

44.—(1) In the case of income of Class J the assessable income shall be the amount of the annuity or annual payment becoming due and payable in the year of computation.

(2) The year of computation shall be the year of charge, except that where in pursuance of section 68 the person entitled is charged with tax it shall be the year preceding the year of charge.

Provisions applicable to Class K.

Description
of income of
Class K.

[1918,
Sch. D,
Case III,
r. 1 (*b.*);
Sch. D,
Case VI.]

45. Income of Class K is—

- (a) profits arising in the United Kingdom from discounting transactions; 15
- (b) profits arising in the United Kingdom from any payment of or on account of any royalty or sum paid periodically for or in respect of any copyright; 20
- (c) profits (not being income comprised in any of the foregoing Classes, or in either of the foregoing paragraphs of this section) arising in the United Kingdom out of any contract or other legal obligation (whether express or implied) for the doing of any work or the rendering of any services, including any underwriting commission or any guarantee; 25
- (d) profits (not being income comprised in any of the foregoing Classes, or in any of the foregoing paragraphs of this section) arising by virtue of the ownership or possession of, or any right to or in, any property in the United Kingdom, whether real or personal, or by virtue of the possession of any statutory power (other than any power to levy local rates), or of any franchise in the United Kingdom. 30 35

46.—(1) In the case of income of Class K, not being income arising from discounting transactions, the assessable income shall be the amount of the profits (computed on such basis as the Commissioners think just) arising from the royalty or other sum, the contract or other obligation, the ownership or possession of the property, or the power or franchise, as the case may be, for the year of computation; and for the purposes of this subsection—

PART I.
—*cont.*
Computation of income of Class K.
[1918, Sch. D, Case VI.]

- 10 (a) the Commissioners in determining the basis of computation shall have regard to the principles regulating the computation of profits for the purposes of Class D so far as such principles are applicable;
- 15 (b) the year of computation shall be either the year of charge or the year preceding the year of charge, as the Commissioners may direct.

(2) In the case of discounting transactions, the assessable income shall be the amount of the profits arising from such transactions in the year of computation; and for the purposes of this subsection—

[1918, Sch. D, Case III r. 1 (b).]

- 20 (a) the profit in the case of any such transaction shall be the profit arising to the owner of the bill or other instrument on the transfer thereof or on the payment thereof on maturity;
- 25 (b) the year of computation shall be the year preceding the year of charge.

FOREIGN INCOME.

Provisions applicable to Class L.

- 30 47. Income of Class L is any interest, annuity, dividend or other annual payment payable by or through a person in the United Kingdom, and being either—
- 35 (a) payable out of the public revenue of the Government of, or of any public authority or institution in, a foreign State or any part of His Majesty's dominions outside the United Kingdom; or
- 40 (b) derived from stocks, shares or securities of any company not carrying on business wholly in the United Kingdom within the meaning of the provisions applicable to income of Class D.

Description of income of Class L.
[1918, Sch. C, Charge; Sch. D, Misc. r. 7.]

PART I.

—cont.

Computation of income of Class L. [1918, Sch. C, Gen. r. 1 (a); Sch. D, Misc. r. 7.]

48. In the case of income of Class L the assessable income shall be the amount of the interest, dividends or annual payments paid in the year of computation, and the year of computation shall be the year of charge.

Provisions applicable to Class M.

5

Description of income of Class M. [1918, Sch. D, Case IV, r. 1; Case V, r. 1.]

49. Income of Class M is any rent from land situate outside the United Kingdom, and any interest or dividends arising outside the United Kingdom from stocks, shares or securities, not being income of Class L.

Computation of income of Class M. [1918, Sch. D, Case IV, rr. 1 & 2; Case V, rr. 1 & 3.]

50.—(1) In the case of income of Class M the assessable income shall be the amount of the rent, interest or dividends becoming due and payable in the year of computation, subject to the authorised deductions: 10

Provided that where the person entitled to the rent, interest or dividends is— 15

- (a) a person who, though resident in the United Kingdom, is not domiciled therein; or
- (b) an individual who is a British subject resident and domiciled in the United Kingdom, but not solely or principally resident therein, 20

the assessable income shall be the amount received in the United Kingdom in the year of computation from such rent, interest or dividends, subject to the authorised deductions.

(2) The authorised deductions shall be— 25

- (i) any sum which has been paid on account of annual taxes or rates in the place where the income has arisen in respect of the income or the property from which the income is derived; and 30
- (ii) any cost reasonably incurred in connection with the collection of the income, and, in the case of rent, in connection with the repair, management and insurance of the property from which the rent is derived; and 35
- (iii) any costs reasonably incurred in remitting the income to the United Kingdom; and

- (iv) any yearly interest, annuity or other annual payment payable out of the rent, interest or dividends to a person not resident in the United Kingdom;

PART I.
—cont.

5 except that, where the assessable income is computed by reference to the amount received in the United Kingdom, such deductions shall be allowed only if and so far as the payments and costs are disbursed by payments in or remittances from the United Kingdom.

- 10 (3) The year of computation shall be the year preceding the year of charge.

Provisions applicable to Class N.

51.—(1) Income of Class N is income from any office or employment held or exercised outside the United Kingdom.

Description
of income of
Class N.

[1918,
Sch. D,
Case V,
r. 2.]

(2) An office or employment (other than an office or employment which is a public office or employment for the purposes of Class E) shall be treated as held or exercised outside the United Kingdom if it is one the duties whereof are wholly or mainly performed outside the United Kingdom, but where those duties are not wholly performed outside the United Kingdom it shall be so treated to the extent only to which they are so performed.

25 52.—(1) In the case of income of Class N the assessable income shall, subject to the authorised deductions, be the amount received in the United Kingdom in the year of computation from the emoluments of the office or employment, or from such part of those emu-
30 ments as is attributable to the duties performed outside the United Kingdom.

Computa-
tion of
income of
Class N.

[1918,
Sch. D,
Case V,
r. 2.]

(2) The authorised deductions shall be any disbursements effected by payments in or remittances from the United Kingdom, and made in respect of—

- 35 (i) any annual tax paid in the place where the office or employment is held or exercised, in respect of the emoluments thereof; or

PART I.
—cont.

- (ii) any costs reasonably incurred in remitting the income to the United Kingdom; or
- (iii) any expenditure which would be an authorised deduction in computing income of Class E.

[1926, s. 29.]

- (3) The year of computation shall be the year 5 preceding the year of charge.

*Provisions applicable to Class O.*Description
of income of
Class O.
[1918,
Sch. D,
Case V,
Case III.]

53.—(1) Income of Class O is—

- (a) profits of a business which are not treated for the purposes of Class D as income from a business carried on in the United Kingdom; 10
- (b) profits arising outside the United Kingdom from discounting transactions;
- (c) any pension arising outside the United Kingdom; 15
- (d) any interest, yearly or other, arising outside the United Kingdom, and any annuity or other annual payment so arising, not being in any case income comprised in any of the foregoing Classes; 20
- (e) profits (not being income comprised in any of the foregoing Classes, or in any of the foregoing paragraphs of this subsection) arising by virtue of the ownership or possession of, or any right to or in, any property outside the United Kingdom, whether real or personal, or by virtue of the possession of any right outside the United Kingdom. 25

(2) For the purposes of this section—

- (a) “pension” has the same meaning as for the purposes of section 35; 30
- (b) “interest” includes any interest on money deposited or owed;
- (c) “annual payment” includes any annual payment arising outside the United Kingdom, whether payable within or outside the United Kingdom, and at whatever intervals it is payable. 35

54.—(1) In the case of income of Class O, not being profits arising from discounting transactions,

PART I.
—cont.

5 (a) the assessable income shall be the amount received in the United Kingdom in the year of computation from the profits, pension, interest, annuity or other annual payment, subject to the authorised deductions;

Compu-
tation of
income of
Class O.

[1918,
Sch. D,
Case V,
r. 2.]

10 (b) the authorised deductions shall be such as would be allowed in the case of income of Class M where the assessable income is computed by reference to the amount received in the United Kingdom;

(c) the year of computation shall be the year preceding the year of charge.

15 (2) In the case of income of Class O, being profits arising from discounting transactions, the assessable income shall be the amount of the profits calculated in manner provided by subsection (2) of section 46.

[1918,
Sch. D,
Case III,
rr. 1 (b) & 2
(2).]

COMMENCEMENTS, CESSATIONS AND CHANGES.

Income of Classes A and B.

20 55.—(1) Tax in respect of income of Class A or of Class B shall be charged whether or not the land is occupied, but if any building is or becomes unoccupied for the year or for part of the year of charge, the whole of the tax charged, or the part thereof proportionate to the

Com-
mencement
and cessa-
tion of
occupation
of land.

25 period during which the building is so unoccupied, as the case may require, shall, on a claim being made for the purpose within one year after the expiration of the year of charge, be discharged or repaid.

[Sch. A,
No. VII,
r. 4;
Sch. B,
r. 4.]

30 (2) In this section "building" has the same meaning as for the purposes of Class B.

56.—(1) If, in the case of any land, tax has been charged in respect of income of Class A or of Class B and the land is subsequently divided into two or more distinct occupations, the Commissioners, on the applica-
35 tion of the persons respectively interested, shall determine what proportion of the tax is to be paid or borne by each occupier, and payment of the amount apportioned to any occupier shall be enforceable in like manner as if it had been originally charged on that occupier.

Changes in
occupation
of land.

[Sch. A,
No. VII,
r. 5; Sch. B,
r. 4.]

PART I.
—*cont.*
[Sch. A,
No. VII,
r. 3.]

(2) The tax charged on the occupier of any land in respect of income of Class A or of Class B shall be recoverable from the occupier for the time being without any new charge, notwithstanding any change of occupation :

5

Provided that—

- (a) an occupier who quits occupation shall be liable for the tax payable in respect of the period up to the date of his quitting occupation, so far as such tax falls to be ultimately borne by him ; 10
- (b) tax which ought to have been paid by any former occupier and ultimately borne by him shall not be recoverable from any subsequent occupier, and nothing in this section shall affect any remedy under this Act for the recovery of any such tax, or any portion thereof, from any such former occupier. 15

For the purposes of this proviso, tax in respect of a period of occupation, if not payable before the termination of the occupation, shall be deemed to have become payable on the last day of the occupation. 20

[1918,
Gen. r. 22.]

(3) If a difference arises between the occupier for the time being of any land and any former occupier as to the proportion of tax payable by them respectively, the difference shall be determined by the Commissioners, and their determination shall be final, and the amount of tax apportioned to any person shall be recoverable from him as if he had been originally charged therewith. 25 30

Income of Class D.

Computation of income from business recently commenced.

57. The assessable income from a business carried on in the United Kingdom for the year of charge in which the business is commenced, or is commenced to be so carried on, and for the two following years (which years are in this section respectively referred to as "the first year," "the second year," and "the third year") 35

shall be computed in accordance with the following provisions :—

PART I.
—cont.

- 5 (a) For the first year the assessable income shall be the amount of the profits from the business for that year;
- 10 (b) For the second year the assessable income shall, unless such notice as hereinafter mentioned is given, be computed as if the period of twelve months beginning on the date of the commencement was the year of computation;
- 15 (c) For the third year the assessable income shall, unless such notice as is hereinafter mentioned is given, be computed in accordance with the provisions of section 22.
- 20 (d) The person charged or liable to be charged with tax in respect of the income from the business shall be entitled, on giving notice in writing to the inspector within two years after the end of the second year, to require that the assessable income both for the second year and the third year (but not for one or other only of those years) shall be computed as if the year in question was the year of computation :
- 25 Provided that he may, by notice in writing given to the inspector within twelve months after the end of the third year, revoke the notice, and in such case the assessable income both for the second year and the third year shall be computed as if the first notice had never been given;
- 30 (e) Where such a notice as aforesaid has been given or revoked such additional assessments, or, on a claim being made for the purpose, such reductions of assessments or repayments of tax, shall be made as may be necessary to give effect to the last foregoing paragraph.
- 35

[1918, Sch. D, Cases I & II, r. 1 (2); 1926, s. 36 (1) and 4th Sch.; 1927, s. 23; 1930, s. 15.]

58. Where in any year of charge a business carried on in the United Kingdom permanently ceases to be carried on, or to be so carried on—

Computation of income on cessation of business.

- 40 (a) the assessable income for that year shall be the amount of the profits for the period beginning [1926, s.31.]

PART I.
—cont.

on the sixth day of April of that year and ending on the date of the cessation, subject to any set-off to which the person chargeable may be entitled under section 94 or section 96, and, if necessary, an assessment or an additional assessment shall be made, or, on a claim being made for the purpose, the assessment shall be reduced or any tax over-paid repaid, as the case may require;

- (b) if the profits of the year ending on the fifth day of April in the year preceding the year of charge in which the cessation occurs exceed the income in respect of which the person has been charged for that preceding year, (or would have been charged if no such set-off as aforesaid had been allowed), an assessment or an additional assessment may be made, so that the income in respect of which tax is charged for that preceding year shall be the amount of the profits for the said year ended on the fifth day of April, subject to any such set-off as aforesaid to which he may be entitled.

Computation of income on succession to business. [1926, s. 32 (2).]

59. If at any time any person succeeds to any business which until that time was carried on by another person, then for all years of charge the income shall be assessed and tax charged as if the business had permanently ceased at the date of the succession, and another business had then commenced.

Other Classes of income.

Computation of income of other Classes on commencement thereof. [1918, Sch. D, Case III, r. 2 (1) (a) and proviso; 1922, s. 17;

60.—(1) Where in the case of any income of any Class (other than income of Class D) the year of computation would, apart from this section, be the year preceding the year of charge, the assessable income for the year in which the income first arose to the person chargeable and for the two following years (which years are in this section respectively referred to as “the first year,” “the second year” and “the third year”) shall be computed in accordance with the following provisions:—

- (a) For the first year the assessable income shall be computed as if the first year was the year of computation;

PART I.
—cont.1926,
ss. 29 (1) (b)
and 30 (ii);
1927,
ss. 23 and
45 (4).]

- (b) For the second year the assessable income shall, subject as provided in paragraph (d), be computed as if the second year was the year of computation;
- 5 (c) For the third year the assessable income shall, subject as provided in paragraph (e), be computed as if the second year was the year of computation;
- 0 (d) Where the income first arose on the sixth day of April in the first year, the assessable income for the second year shall be computed as if the first year was the year of computation, but the person charged or liable to be charged with tax in respect of the income shall, on a claim being made for the purpose within twelve months after the end of the second year, be entitled to require that the assessable income for the second year shall be computed as if the second year was the year of computation;
- 5 (e) Where the income first arose on some day other than the sixth day of April in the first year, the person charged or liable to be charged with tax in respect of the income shall, on a claim being made for the purpose within twelve months after the end of the third year, be entitled to require that the assessable income for the third year shall be computed as if the third year was the year of computation;
- 0 (f) Where a notice has been given under paragraph (d) or paragraph (e) and tax has been paid, any tax overpaid shall on a claim being made for the purpose be repaid.

(2) Where, in any year of charge, a new source, or an addition to an existing source, of income is acquired by any person, the income attributable to that source or to the addition (as the case may be) shall for the purposes of this section be treated as income which first arose to that person in that year.

(3) In the case of income of Class E or Class N, the income shall be treated as first arising to a person in the year in which that person first held or exercised the

PART I. office or employment, and subsection (2) of this section
 —*cont.* shall not apply.

(4) Where the assessable income is to be computed by reference to the amount received in the United Kingdom, the references in this section to income which first arose shall be construed as references to income which was first so received. 5

Computation of income of other Classes on cessation thereof.

[1926, s. 30; 1927, s. 45 (5).]

61.—(1) Where in the case of any income (other than income of Class D) the year of computation would, apart from this section, be the year preceding the year of charge, and the income permanently ceases to be the income of the person chargeable, the following provisions shall have effect :—

(a) For the year of charge in which the income so ceases, the assessable income shall be computed as if the year of computation was that year instead of the year preceding the year of charge, and, if necessary, an assessment or an additional assessment shall be made or, on a claim being made for the purpose, the assessment shall be reduced or any tax overpaid shall be repaid, as the case may require : 15 20

(b) If the income for the year ending on the fifth day of April preceding the year of charge in which the cessation occurs exceeds the assessable income in respect of which tax has been charged for that year, an assessment or an additional assessment may be made so that the amount of the income in respect of which tax is charged for that year shall be the amount of the income for that year. 25 30

(2) Where, in any year of charge, any person ceases to possess any source, or part of any source, of income, the income from that source, or attributable to that part, shall for the purposes of this section be treated as income which permanently ceased to be income of that person in that year. 35

(3) In the case of income of Class E or Class N, the income shall be treated as ceasing to be the income of a person in the year in which that person ceased to hold or 40

exercise the office or employment, and subsection (2) of this section shall not apply.

PART I.
—cont.

62.—(1) Where a person, on entering upon any office or employment (in this section referred to as a “new office”), ceases to hold any other office or employment (in this section referred to as an “old office”), and—

Assessment
on change of
office.
[1935, s. 26.]

- (a) but for the provisions of this section the tax payable by him in respect of the emoluments of the said offices would have been computed by reference to the provisions of sections 60 and 61; and
- (b) his average monthly net emoluments arising from the new office for the first twelve months of his tenure thereof, or for such shorter period as his tenure thereof endures, do not exceed by more than twenty per cent. his average monthly net emoluments arising from the old office for the last twelve months of his tenure thereof, or for such shorter period as his tenure thereof endured; and
- (c) the nature of the duties of the old and the new offices respectively was and is such as to require the holder thereof to devote substantially the whole of his time to the performance of those duties;

that person shall, on giving notice to the inspector within eighteen months next after the end of the year of charge in which he entered upon the new office, be entitled to require that all his emoluments arising from the new office as well as from the old office shall be assessed as if they had arisen from one and the same office, and if an assessment has already been made it shall, on a claim being made for the purpose, be adjusted and any tax overpaid repaid.

(2) For the purposes of this section the expression “net emoluments” in relation to an office or employment for any period means the emoluments of the office or employment for that period after making the authorised deductions.

(3) This section shall not apply to an office or employment the income from which is income of Class N.

PART I.

—cont.

General provisions as to commencement and cessation.

[1926, s. 30
provisos (iii)
and (iv).]

General.

63.—(1) If at any time any income ceases to be income of the Class in which it was until that time included, and becomes income of some other Class, there shall be deemed to be a cessation of income of the first-mentioned Class and a commencement of income of the other Class. 5

(2) If at any time income from any office or employment—

(a) ceases to be income wholly of Class E or wholly of Class N, and becomes income partly of Class E and partly of Class N; or 10

(b) ceases to be income partly of Class E and partly of Class N, and becomes income wholly of Class E or wholly of Class N,

then for the purposes of the computation of the income from that office or employment the person holding or exercising that office or employment shall be deemed on such cessation to have vacated one office or employment and to have entered on a new office or employment. 15

PART II.

20

PERSONS CHARGEABLE AND RIGHTS OF
DEDUCTION OF TAX.

Persons chargeable.

Persons chargeable with tax.

64.—(1) The persons chargeable for any year of charge with standard tax in respect of the Classes of income specified in the first column of the following Table shall be the persons who, as respects that year, are the persons respectively described in the second column thereof:—

Classes of Income.	Persons Chargeable.	30
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Class A	-	The occupier of the land, but
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(a)	where the land is let and consists of a dwelling-house which, with the buildings or offices belonging thereto and the land occupied therewith, is of a rental value of less than ten pounds; or	35
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[1918,
Sch. A,
No. VII,
rr. 1 and
8 (a).]

<u>Classes of Income.</u>	<u>Persons Chargeable.</u>	PART II. —cont.
	(b) where the land is let for a period less than one year; the landlord of the tenant-occupier shall be the person chargeable.	1918, Sch. A, No. VII, r. 8 (b).
Class B	- The occupier of the land.	1918, Sch. B, r. 4.
Class C	- The person entitled to the income.	1918, Sch. A, No. II, rr. 4, 5, 6; No. VII, r. 7.
Class D	- The person by whom the business is carried on.	1918, Sch. D, Misc. r. 1.
Class E	- The person by whom the office or employment is held or exercised.	1918, Sch. E, r. 1.
Class F	- The person entitled to the income, except that where the pension (not being a pension to which section 183 or section 184 applies)— (a) is payable under a legal obligation; and (b) is not an expense of carrying on a business and as such deductible in computing the profits of the business, the person by or through whom the pension is paid shall be the person chargeable.	1918, Sch. E, r. 1; 1922, s. 18.
Class G	- The person entrusted with the payment of the income, except that in the case of— (a) interest which, in pursuance of any directions given by the Treasury under any Act, is paid without deduction of tax; (b) interest on any securities standing in the name of the National Debt Commissioners; (c) any interest, annuity, or other annual payment, the amounts payable quarterly or half-yearly in respect whereof do not exceed twenty-five or fifty shillings respectively, and are not payable by means of coupons or other	1918, Sch. C, Gen. r. 1 (c). [1918, Sch. D, Case III, r. 1; Misc. r. 1.] [1918, Sch. C, Gen. r. 2 (a).] [1918, Sch. C, Bank r. 9; Sch. D, Misc. r. 1.]

PART II. Classes of Income.

Persons Chargeable.

—cont.

		instruments entitling the bearer to payment, the person entitled to the income shall be the person chargeable.	5
1918, Gen. rr. 19 & 21.	Class H	- The person by or through whom the interest is paid, except that where the interest is not yearly interest, and is paid wholly out of taxed or taxable income, the person entitled to the interest shall be the person chargeable.	10
1918, Gen. rr. 19 & 21. 1927, s. 26.	Class J	- The person by or through whom the income is paid.	
1918, Sch. D, Misc. r. 1.	Class K	- The person entitled to the income.	15
1918, Sch. C, Gen. r. 1 (e); Sch. D, Misc. r. 7.	Class L	- The person in the United Kingdom by or through whom the income is paid.	
1918, Sch. D, Misc. r. (1).	Class M	- The person entitled to the income.	
1918, Sch. D, Misc. r. 1.	Class N	- The person by whom the office or employment is held or exercised.	20
1918, Sch. D, Misc. rr. 1, 7.	Class O	- The person entitled to the income.	
		(2) In the case of securities standing in the name of the National Debt Commissioners on account of other persons, the persons on whose account those securities are so held by the Commissioners, and not the Commissioners, shall, for the purposes of this section, be treated as the persons entitled to the income derived therefrom.	25
Burden of tax. [New.]		65. For securing that tax shall ultimately be borne by the persons beneficially entitled to the income in respect of which tax is chargeable, the persons who have borne or are liable to bear standard tax, whether by direct charge or otherwise, if not the persons beneficially entitled to the income, shall have such rights as are conferred by this Act by means of deduction to pass the burden of the tax to the persons so entitled.	30 35
Persons chargeable as occupiers of land. [1918, Sch. A, No. VII, r. 2.]		66. Any person having the use of any land shall be treated as the occupier thereof, except that a person having such use as a servant and for the purpose of performing his duty to his employer shall not be so treated.	40

67.—(1) Where the landlord of any tenant-occupier has made a request in writing for the purpose to the Commissioners, then, for any year of charge whilst the request is in force, the Commissioners may, if they think fit, charge him with tax in respect of income of Class A as if he were the occupier of the land, but in such case the repairs deduction shall not exceed such an amount as would be allowed if the tenant were charged.

PART II.
—cont.
Power to charge landlord instead of occupier in certain cases.

(2) A request under this section—

[1918, Sch. A,
No. V, r. 7
(1) (b) (ii);
No. VII.
r. 9.]

(a) if made later than the thirty-first day of July in any year shall not have effect until the following year of charge;

(b) shall continue in force until the year in which notice in writing cancelling the request takes effect;

(c) shall not affect the successor in title of the person who made the request.

(3) A notice in writing cancelling such a request may be given by the lessor who made the request, but if given after the thirty-first day of July in any year shall not have effect until the following year of charge.

68. Where, in respect of any income, tax is chargeable, and the person by or through whom the income is paid is the person chargeable, and that person has paid the income to the person entitled thereto without any such deduction on account of tax as is authorised by section 75, the person so entitled may be charged with tax in respect of the income; but, unless he is so charged, nothing in this section shall relieve the person by or through whom the income is paid from liability to be charged:

Power to charge recipient in lieu of payer in certain cases.

[*Glamorgan Q.S. v. Wilson*,
[1910]
1 K.B. 725;
5 T.C. 537.]

Provided that this section shall not apply if and so far as the payment is made out of taxed or taxable income.

69.—(1) As regards income of Class G and Class L the persons entrusted with the payment of the income or by or through whom the income is payable (in this Act referred to as "paying agents") shall include the following persons:—

Persons chargeable as paying agents.

[1918, Sch. C. Paying Agent, rr. 7 to 9.
1918, Sch. D, Misc. r. 7.]

(a) any person having the ordinary custody of any book, or making any list ordinarily kept in the United Kingdom, wherein the right or title of

PART II.
—*cont.*

the person to whom the payment is to be made is shown by the registration or entry of his name;

- (b) any bank or person acting as a banker who sells or otherwise realises coupons (not being 5 coupons payable in the United Kingdom only) and pays over the proceeds to any person or carries them to his account;
- (c) any person who by means of coupons received from any other person, or otherwise on his 10 behalf, obtains payment of any interest dividends or annual payment elsewhere than in the United Kingdom;
- (d) any dealer in coupons who purchases coupons (not being coupons payable in the United 15 Kingdom only) otherwise than from a bank or person acting as a banker, or another dealer in coupons;

and accordingly all such persons shall as respects such income as aforesaid be treated as persons chargeable. 20

(2) For the purposes of this section the expression “coupons” includes warrants for payment of, or bills of exchange purporting to be drawn or made in payment of, any interest, dividends or annual payments.

(3) Nothing in this Part of this Act shall impose on 25 any bank or person acting as a banker an obligation to disclose any particulars relating to the affairs of any person on whose behalf he may be acting.

Power to charge officers of unincorporated bodies.

[1918, s. 106; Sch. A, No. III, r. 4.]

70.—(1) In any case where the person chargeable is an unincorporated body the secretary or treasurer of the 30 body or any other officer who has the direction or management of the affairs of the body may be charged on behalf of the body:

Provided that nothing in this section shall affect the liability of an unincorporated body to be charged in its 35 own name.

(2) Any officer of an unincorporated body who has been duly charged with tax in respect of any income of, or who has lawfully paid tax on behalf of, the body may raise and retain out of property from time to time coming 40 into his hands on behalf of the body such sum as is sufficient to pay the tax charged, and shall be acquitted and discharged of so much as is equal to the tax so paid,

and if and so far as such property is insufficient shall be entitled to be indemnified for any amount so paid. PART II.
—cont.

71. Any receiver appointed by any Court in the United Kingdom which has the direction or control of any property shall be liable to be charged with standard tax in respect of any income derived from such property in like manner and to the like amount as if he were the person entitled to the income. Charge-ability of receivers appointed by Courts. [1918, Gen. r. 15.]

72.—(1) Where in any year a payment is made of any income of Class F, Class H or Class J in respect of which the person by or through whom the payment is made is the person chargeable, then— Provisions where payer of interest, etc., chargeable. [1918, Gen. rr. 19 and 21.]

(a) if the payment is made wholly out of taxed or taxable income, tax in respect of the payment shall be deemed to be satisfied by the tax paid or payable in respect of that income, and no separate assessment or charge shall be made in respect of the payment; [1918, Gen. rr. 19 and 21.]

(b) if the payment is made partially out of taxed or taxable income, then to the extent to which there is taxed or taxable income attributable to the payment, tax in respect of the payment shall be deemed to be satisfied by the tax paid or payable in respect of that income, but a separate assessment shall be made by the Special Commissioners of the deficiency, and the person by or through whom the payment is made shall be charged with tax in respect thereof;

(c) if the payment is not made (either wholly or partially) out of taxed or taxable income, a separate assessment shall be made by the Special Commissioners of the payment, and the person by or through whom the payment is made shall be charged with tax in respect thereof;

Provided that if and so far as any such payment has been charged to capital, tax in respect thereof shall not be deemed to be satisfied by the tax so paid or payable as aforesaid, and a separate assessment and charge shall be made accordingly.

(2) Nothing in this section shall affect the right of a person making any such payment to deduct tax under section 75, or the liability of the person to whom

PART II. the payment is made to bear tax by deduction, and, if
 —cont. and so far as no separate assessment or charge is made
 under this section, the person making the payment shall
 be entitled to retain the tax deducted.

Rights of deduction of tax.

5

Deduction
 of tax from
 rent, etc.
 (1918, Sch.
 A, No. VII,
 r. 13;
 No. VIII,
 rr. 1, 4.)

73.—(1) For the purpose of allocating the burden
 of the tax payable in respect of income of Class A
 according to the respective interests of the occupier of
 the land and of any other person or persons interested
 in the land (including a mortgagee in possession but not
 including any other mortgagee) the following provisions
 shall have effect. 10

(2) A tenant-occupier of any land who has been
 charged with and has paid tax in respect of the annual
 value of the land shall be entitled, on making payment
 on account of rent, to deduct therefrom a sum equal to
 the tax paid : 15

Provided that—

(a) the amount so deductible in respect of tax
 paid for any year of charge shall not exceed
 the tax calculated at the standard rate for
 that year on the amount of the rent for
 that year; 20

(b) the deduction shall be made from the payment
 made next after the tax has been paid, but if
 and so far as such next payment is less than
 the amount deductible, a deduction of the
 balance may be made from the next sub-
 sequent payment, and so on. 25

(3) Where— 30

(a) any rent is payable in respect of any land
 otherwise than by a tenant-occupier as such;
 or

(b) any land is subject to any fee farm rent,
 rentcharge (not being tithe rentcharge or
 other rentcharge in lieu of tithe), quit rent,
 feu duty, ground annual, teind, stipend or
 other annual payment, not being interest, 35

the person liable for such rent or annual payment, if he
 has borne or is liable to bear tax in respect of the annual
 value of the land or any part of such tax, either by direct
 charge or by deduction under this section, shall be 40

entitled, on making any payment on account of such liability, to deduct therefrom such sum as represents tax on the amount of the payment calculated at the standard rate in force at the time when the payment became due and payable, subject to the limitation that the amount deducted shall not exceed the amount of the tax so borne or to be borne by the person making the payment :

PART II.
—cont.

Provided that where the annual payment is a ground rent, rentcharge, annuity or other similar annual sum, the limitation on the amount authorised so to be deducted shall be the amount of the tax which the person making the payment would have been liable to bear if, in computing the annual value of the land, no repairs deduction had been allowed.

[1918, Sch.
A, No. VIII,
r. 11.]

(4) In any case where—

- (a) by subsection (2) or subsection (3) of this section a deduction from the rent payable to a landlord is allowed; and
- (b) that landlord or any landlord superior to him is the person on whom rests, without right of recourse to any tenant, the liability to bear any burden, or part of any burden, in respect of which, in computing the annual value of the land, a deduction from the rental value thereof has been made under section 14,

the amount so allowed to be deducted from the rent shall (instead of being calculated by reference to the amount of tax on the rent) be calculated by reference to the amount of tax on the rent reduced by the amount, or the appropriate part of the amount, which in computing the annual value of the land was, on account of such burden, deducted from the rental value of the land.

(5) This section, in its application to Scotland, shall have effect subject to the following modifications:—

- (a) for references to “mortgagee” a reference to a creditor in a heritable bond shall be substituted;
- (b) where the deduction authorised by subsection (2) or subsection (3) of this section is from rent or a payment due for a period ending on the fifteenth day of May, the rate of tax at which the deduction may be made shall be the standard rate in force at the beginning of that period.

[1918,
Sch. A,
No. VII,
r. 13;
No. VIII,
rr. 1 and 4,
provisos.]

PART II.

—cont.

Subsidiary provisions as to deduction of tax from rent.

[1918, Sch. A, No. VIII, rr. 7, 8, 9 & 10.]

74.—(1) Where under section 309 tax payable by a lessor of land has, in default of payment by him, been recovered from the occupier, the occupier shall be entitled to deduct from the next or any subsequent payment on account of rent the amount of tax so recovered from him. 5

(2) A tenant-occupier for the time being of any land who has been required to pay and has paid any tax charged in respect of the annual value thereof which ought to have been or ought to be paid by a former occupier may deduct and retain out of any subsequent payment on account of rent an amount representing the tax or any part thereof which ought to have been or ought to be so paid. 10

[New.]

(3) Where a person would under subsection (2) of the last preceding section, or under this section, be entitled to make a deduction from a subsequent payment on account of rent, but is unable to do so by reason that no such payment becomes due after the payment of the tax, the amount which would have been so deductible shall be a debt due to him from the person who would have been liable to allow the deduction. 15 20

Deduction of tax from interest, annuities, etc. ¶

[1918, Gen. rr. 19, 21; 1927, s. 39 (1).]

75.—(1) Where any payment is made of any income to which this section applies, the payer may, on making the payment, deduct so much of the amount payable as is equal to tax thereon calculated at the standard rate for the year in which the payment became due and payable. 25

(2) The income to which this section applies is any income of Class F, Class H, or Class J in respect of which the person by or through whom the income is paid is the person chargeable. 30

Deduction of tax from interest on Government and other securities.

[1918, Sch. C, Bank r. 6; Paying Agent r. 3.]

76.—(1) Where any payment is made of any income of Class G or Class L, and the person chargeable with tax in respect thereof is a paying agent, he may, on making the payment, deduct so much of the amount payable as is equal to tax thereon calculated at the standard rate in force at the time of the payment. 35

(2) Where the person on payment to whom any such deduction has been made is not liable to bear the whole, or any part, of the tax so deducted, he shall be entitled, on a claim being made for the purpose, to have repaid to 40

[New.]

him in whole or in part, as the case may require, the amount deducted. PART II.
—cont.

(3) The Bank of England shall as respects income of Class G, the money for the payment of which is issued to that Bank under Article 5 of the Irish Free State (Consequential Adaptation of Taxing Acts) Order, 1923, be treated as the person entrusted with the payment thereof, and accordingly as the person chargeable, and the Bank shall, after deducting tax at the standard rate in force at the time of payment, pay the balance to the Bank of Ireland for distribution to the persons entitled thereto.

[Irish Free State (Consequential Adaptation of Taxing Acts) Order, 1923, S.R. & O. No. 453) Article 5 (c), (d) and (e).]

77. A company on paying a dividend which is income of Class I may deduct from the amount of the dividend tax on that amount at the standard rate in force at the time when the dividend became due and payable.

Deduction of tax from dividends. [1918, Gen. r. 20; 1931, s. 7.]

78.—(1) Every warrant or cheque or other order drawn or made or purporting to be drawn or made in payment of any dividend or interest distributed by a company shall have annexed thereto or be accompanied by a statement in writing showing—

Particulars to be furnished by companies on payment of interest or dividends.

(a) if tax has been deducted on payment of the dividend or interest, the gross amount before such deduction, the rate of tax, the amount deducted, and the amount actually paid;

[1924, s. 33.]

(b) if the dividend or interest is paid free of tax or without deduction of tax—

(i) the gross amount which after deduction of tax at the appropriate rate would correspond to the amount actually paid;

(ii) the rate of tax, and the amount thereof appropriate to such gross amount;

(iii) the amount actually paid.

(2) For the purposes of this section "company" means a company within the meaning of the Companies Act, 1929, or a company created by letters patent, or by or in pursuance of an Act of Parliament.

PART II.
—cont.
General provisions applicable to deductions.
[1918, Sch. A, No. VIII, rr. 2, 5; 1918, Sch. C, Bank r. 7, Paying Agent r. 3; 1918, Gen. rr. 22 and 23 (2); 1926 s. 26.]

79.—(1) The deductions authorised under sections 73 to 76 inclusive may be made notwithstanding any agreement to the contrary.

(2) Any person from whom any payment is due who makes a deduction therefrom in accordance with any of the provisions of sections 73 to 77 inclusive shall be acquitted and discharged of so much of the said payment as is represented by the deduction, as if that amount had been actually paid :

Provided that this subsection shall not apply to a deduction under subsection (2) of section 73 unless the tenant making the deduction produces to the landlord the receipt for the payment of the tax.

(3) If a difference arises between any persons with regard to a deduction on account of tax from any payment, the difference may, on the application of those persons, be determined by the Commissioners by whom the tax was charged and their determination shall be final.

Deductions before passing of Finance Act.

Deductions before passing of Finance Act.

80. Where in any year of charge a payment is made before the passing of the Finance Act for that year, and the payment is such that, had the Finance Act been passed, the payer would, under subsection (3) of section 73, or under section 75, 76, 77, 175, or 218, have been entitled to deduct tax at the standard rate fixed by the Act, the following provisions shall have effect :—

(1) For the purposes of this section—

“ the Finance Act ” means the Act fixing the standard rate of tax for the year of charge in question;

“ Financial resolution ” means a resolution having statutory effect in the year of charge in question under the Provisional Collection of Taxes Act, 1913;

“ Old rate ” means the standard rate of tax for the year preceding the year of charge in question;

[3 & 4 Geo. 5. c. 3.]

“New rate” means the standard rate of tax fixed by the Finance Act; PART II.
—cont.

“Provisional new rate” means the standard rate of tax provided by the financial resolution;

“Preference dividend” means— [1930, s. 12
(4).]

(a) a dividend payable on a preferred share at a fixed gross rate per cent.; or

(b) where a dividend is payable on a preferred share partly at a fixed gross rate per cent. and partly at a variable rate, such part of that dividend as is payable at a fixed gross rate per cent.

(2) Subject to such adjustments and provisions as are hereinafter in this section mentioned, the payer shall be entitled on making the payment to make a deduction— [Provisional
Collection of
Taxes Act,
1913, s. 2.]

(a) if the payment is made on or before the date of the financial resolution and before the sixth day of May in the year of charge, equal to tax at the old rate; [Provisional
Collection of
Taxes Act,
1913, s. 1.]

(b) if the payment is made after the date of the financial resolution, equal to tax at the provisional new rate: [Provisional
Collection of
Taxes Act,
1913, s. 1 (1)
prov. (c) and
(d).]

Provided that if the financial resolution ceases to have statutory effect, any deduction made under this subsection after the date of the financial resolution shall be deemed to be unauthorised.

(3) Where, in the case of income of Class G or Class L, any such deduction as is authorised by subsection (2) of this section has been made, then— [1918, s. 211
(1).]

(a) if the new rate is higher than the old rate, the persons entitled to the income shall be liable to be charged (in accordance with subsection (2) of section 278) with tax to an amount equal to the amount of the underdeduction, and for that purpose the paying

PART II.

—cont.

agent shall, on requisition by the Board, furnish to the Board a list containing the names and addresses of the persons entitled and the amounts of the payments made to them; 5

[Practice.]

(b) if the new rate is lower than the old rate, the Board shall cause amounts equal to the over-deductions to be repaid to the persons severally entitled to the income.

- (4) Where, in the case of a payment in respect of which, or any part of which, a separate assessment is to be made under section 72, any such deduction as is authorised by subsection (2) of this section has been made, then—

[1918, s. 211
(2) (as extended by
1930, s. 12
(2) and 1934,
s. 21).]

(a) if the new rate is higher than the old rate, the payer shall be entitled, on the next occasion on which a payment on the same account is made after the passing of the Finance Act, to increase the amount of the deduction he would otherwise be entitled to make by the amount of the under-deduction, or, if there is no such future payment, to recover the amount of such under-deduction as if it were a debt due from the person as against whom the deduction could originally have been made if the Finance Act had been in force; 15 20 25

[Practice.]

(b) if the new rate is lower than the old rate, the Board shall cause amounts equal to the over-deductions to be repaid to the persons severally entitled to the income. 30

- (5) Where, in the case of any other income, any such deduction as is authorised by subsection (2) of this section has been made, then—

[1918, s. 211 .
(2) (as extended by
1930, s. 12
(2).]

(a) if the new rate is higher than the old rate, the payer shall be entitled, on the next occasion on which a payment on the same account is made after the passing of the Finance Act, to increase the amount of the deduction he would otherwise be entitled to 35 40

make by the amount of the under-deduction, or, if there is no such future payment, to recover the amount of such under-deduction as if it were a debt due from the person as against whom the deduction could originally have been made if the Finance Act had been in force;

PART II.
—cont.

(b) if the new rate is lower than the old rate, or the conditions affecting it are such that the deduction already made could not have been made had the Finance Act been in force at the time of making the deduction, the payer shall be liable to repay or make good to the person as against whom the deduction was made the amount of the over-deduction:

[Provisional
Collection of
Taxes Act,
1913, s. 2.]

Provided that this subsection shall not apply to any dividend, not being a preference dividend.

(6) Where the payer is a body corporate, and the payment from which the deduction before the passing of the Finance Act has been made is either interest on any of its securities or a preference dividend on any of its shares, the provisions of subsections (2) and (5) of this section shall have effect subject to the following modifications:—

[1930, s. 12
(1).]

(a) if the provisional new rate is lower than the old rate, deductions may continue to be made at the old rate until the expiration of one month from the date of the financial resolution;

(b) any over-deduction to be made good under paragraph (b) of subsection (5) of this section may be made good by a reduction of the amount of tax deducted from the next payment by way of interest or preference dividend after the passing of the Finance Act:

PART II.
—cont.

Provided that this paragraph shall not authorise the body corporate to retain any part of the amount over-deducted for more than one year from the passing of the Finance Act; 5

(c) the amount made good under paragraph (b) of subsection (5) of this section—

(i) in the case of an over-deduction which is made good in manner authorised by paragraph (b) of this subsection, shall 10
enure to the benefit of the person entitled to the payment on the occasion of which the over-deduction is made good;

(ii) in any other case, shall enure to the benefit of the person who, at the date when 15
the amount is made good, is entitled to the security or share from which the interest or preference dividend is derived;

irrespective in either case of whether or not he is the person who was entitled to the pay- 20
ment or to the security or share at the date when the original deduction was made.

(7) If, on making a payment before the passing of the Finance Act, the payer has not made such a deduction as is authorised by subsection (2) of 25
this section, then—

[1918, s. 211
(1).]

(a) if the payment is on account of income of Class G or Class L, the persons entitled to the income shall be liable to be charged (in accordance with subsection (2) of 30
section 278) with tax to an amount equal to the amount of the under-deduction, and for that purpose the paying agent shall, on requisition by the Board, furnish to the Board such a list as is mentioned in para- 35
graph (a) of subsection (3) of this section;

[1918, s. 211
(2).]

(b) if the payment is on account of income of any other Class, the payer shall be entitled, on the next occasion on which 40
a payment on the same account is made

after the passing of the Finance Act, to increase the amount of deduction he would otherwise be entitled to make by the amount of the under-deduction, or, if there is no such future payment, to recover the amount of such under-deduction as if it were a debt due from the person as against whom the deduction could originally have been made if the Finance Act had been in force.

PART II.
—cont.

- (8) Where on payment of a dividend (not being a preference dividend), tax has in pursuance of subsection (2) of this section been deducted, and the rate of deduction is higher or lower than the new rate, the net amount received shall for purposes of total income be deemed to be income of such an amount as would, after deduction of tax at the new rate, be equal to the actual amount received, and for the purposes of this Act there shall in respect of the dividend be deemed to have been paid, by deduction, tax computed at the new rate.

[1930, s. 12
(3).]

PART III.

GENERAL RELIEFS.

ALLOWANCES TO INDIVIDUALS.

Personal and other allowances.

- 81.—(1) If for any year of charge an individual proves that the conditions applicable to an allowance specified in the first column of the following Table are fulfilled in his case, he shall, on a claim being made for the purpose, be entitled to have the aggregate amount of standard tax for that year which he would otherwise be liable ultimately to bear reduced by the amount specified in the second column of that Table.

Scale of personal and other allowances.
[1918, s. 17;
1920, ss. 17
to 22;
1925, s. 15;
1927, s. 40
(1); 1931

PART III.

—cont.

(No. 2), s. 8
and Sch.;
1935,
ss. 19–21.]

TABLE.

Nature of allowance.	Amount of allowance at the standard rate.
Personal allowance :	
(1) for married persons -	Tax on £170, and, if the total 5 income of the claimant in- cludes any earned income of his wife, in addition tax on an amount equal to four- fifths of that earned income, 10 but not exceeding in any case tax on £45.
(2) in other cases - -	Tax on £100, or, if the total income of the individual is less than £140, such an 15 amount as is provided by subsection (2) of this section.
Children allowance - -	In respect of each child, tax on £50.
Housekeeper allowance -	Tax on £50. 20
Dependent relative allow- ance.	In respect of each dependent relative, tax on £25, or on the amount of the con- tribution, whichever is less.
Infirm person's allowance	Tax on £25. 25
Earned income allowance	Tax on a sum equal to one- fifth of the amount of the earned income, but not ex- ceeding in any case tax on £300. 30
Old age allowance - -	Where the total income of the claimant does not ex- ceed £500, tax on a sum equal to one-fifth of that income. 35
	Where the total income of the claimant exceeds £500, tax on such an amount that the tax in respect of his total

PART III.
—cont.

Nature of allowance.	Amount of allowance at the standard rate.
5 10 Old age allowance— <i>cont.</i>	income does not exceed a sum equal to the aggregate of the two following amounts, that is to say, the amount of the tax which would have been borne by him if his total income had amounted to, but had not exceeded, £500, and one-half of the amount by which his total income exceeds £500.

15 (2) Where the total income of an individual not entitled to the personal allowance for married persons is less than one hundred and forty pounds, then—

20 (a) if his total income does not exceed one hundred and twenty-five pounds, his personal allowance shall be such an amount as to exempt him from tax so far as it falls ultimately to be borne by him;

25 (b) in any other case, if the amount of tax which the individual, apart from this subsection, would be liable ultimately to bear exceeds a sum equal to one-fifth of the amount by which his total income exceeds one hundred and twenty-five pounds, his personal allowance shall be such an amount as would reduce the tax so borne by him to that sum.

30

(3) A claim for any relief under this section shall not be allowed unless such a return as to income from all sources as is mentioned in section 248 has been made.

35 (4) For the purposes of this section “earned income” does not include any income in respect of which the individual is not liable ultimately to bear tax.

PART III.

—cont.

Conditions
attaching to
personal
allowance.[1920, s. 18
(1).]

82.—(1) The conditions to be fulfilled to entitle the claimant to the personal allowance for married persons are—

- (a) that in the year of charge his wife is living with him or is wholly maintained by him; and 5
- (b) that in computing his total income for that year he is not entitled to make any reduction on account of any payment made for his wife's maintenance.

(2) Where the conditions of subsection (1) of this section are not fulfilled, the claimant shall, subject to the provisions of subsection (3) of the last preceding section, be entitled to the allowance shown in the Table in that section as appropriate to persons other than married persons. 15

Conditions
attaching
to children
allowance.[1920, s. 21;
1928, s. 16
(1) (a).]

83.—(1) The conditions to be fulfilled to entitle the claimant to a children allowance are—

- (a) that the child in respect of whom an allowance is claimed, being a child living at some time within the year of charge, is either a son or stepson or daughter or stepdaughter of the claimant, or is a child who in the year of charge is in the custody, and maintained at the expense, of the claimant; 20
- (b) that the child, if living at the commencement of the year of charge, is at that time under the age of sixteen years, or, if at that time over the age of sixteen years, is receiving full-time instruction at any university, college, school or other educational establishment; 25 30
- (c) that the child is not entitled in his own right to income exceeding fifty pounds in the year of charge, but in calculating such income no account shall be taken of any sum to which the child is entitled as the holder of a scholarship, bursary or other similar educational endowment; and 35
- (d) where the child is not a son or stepson or daughter or stepdaughter of the claimant, that no other individual is entitled in respect of the same child to a children allowance or any other allowance under section 81, or, if any other individual is entitled to such an allowance, that he has relinquished his claim thereto. 40

(2) For the purposes of this section, a child who has been adopted under the Adoption of Children Act shall be treated as the son or daughter of the person by whom he or she has been so adopted, and not as the son or daughter of the natural parent.

PART III.
—cont.

84.—(1) The conditions to be fulfilled to entitle the claimant to a housekeeper allowance are that the claimant is a widower, widow or unmarried person, and

Conditions
attaching
to house-
keeper
allowance.

(a) if the claimant is a widower or widow—

10 (i) that in the year of charge a female person acts in the capacity of a housekeeper for the claimant, or has the charge and care of any child of the claimant (being a child in respect of whom a children allowance is granted by this Act);

[1920,
ss. 19 & 20;
1924, s. 22.]

15 (ii) that such female person, if a relative of the claimant or of the claimant's deceased spouse, resides with the claimant, or, if not such a relative, is employed by the claimant; and

20 (iii) that if the female person is such a relative no other individual is entitled under section 81 to an allowance or an increased allowance in respect of her, or, if any other individual is so entitled, that he has relinquished his claim thereto.

25

(b) if the claimant is an unmarried person—

30 (i) that in the year of charge there is resident with the claimant and maintained by him at his own expense either his mother (being a widow or person living apart from her husband) or some other female relative, for the purpose of having the charge and care of any brother or sister of his (being a child in respect of whom a children allowance is granted by this Act); and

35

40 (ii) that neither the claimant nor any other individual is entitled under section 81 to an allowance or an increased allowance in respect of the same person, or, if any other individual is so entitled, that he has relinquished his claim thereto.

PART III.
—cont.

(2) An allowance under this section shall not be granted to any person for any year in respect of more than one person.

Conditions attaching to dependent relative allowance.
[1920, s. 22 (part).]

85.—(1) The conditions to be fulfilled to entitle a claimant to a dependent relative allowance are— 5

- (a) that the claimant at his own expense maintains, or contributes towards the maintenance of, a person being a relative of the claimant or of the claimant's spouse;
- (b) that the person maintained is either incapacitated by old age or infirmity from maintaining himself, or is the widowed mother (whether so incapacitated or not) of the claimant or of the claimant's spouse; and 10
- (c) that the total income of the person maintained does not in the year of charge exceed fifty pounds. 15

(2) Where two or more persons jointly maintain or contribute towards the maintenance of any such person as aforesaid, the allowance shall be apportioned between them in proportion to the amount or value of their respective contributions towards the maintenance of that person. 20

Conditions attaching to infirm person's allowance.
[1920, s. 22 (part).]

86. The condition to be fulfilled to entitle a claimant to an infirm person's allowance is— 25

that the claimant is by reason of old age or infirmity compelled to depend upon the services of a daughter resident with and maintained by the claimant.

Condition attaching to earned income allowance, and definition of "earned income."
[1918, s. 14 (3); 1932, s. 17 (3).]

87.—(1) The condition to be fulfilled to entitle a claimant to earned income allowance is that in the total income of the claimant some earned income is included. 30

(2) The expression "earned income" means—

- (a) income of Class B, Class D or Class O which is immediately derived by the claimant from the carrying on by him of a business either as an individual, or in the case of a partnership, as a partner personally acting therein; 35

PART III.
—cont.

- 5 (b) income arising from any office or employment held or exercised by the claimant, including any income from any property which is attached to the office or employment or from which any part of the emoluments of the office or employment is derived;
- 10 (c) income arising from any pension, as defined in subsection (2) of section 35, enjoyed by the claimant, whether or not contributions were paid towards the provision of the pension;
- (d) income of the claimant arising in respect of a Civil List pension granted under the Civil List Act, 1837, as amended by any subsequent enactment. [1920, s. 33.] 1 & 2 Vict., c. 2.
- 15 (3) In cases where the income of a wife is treated as if it were the income of the husband any reference in this section to the claimant includes the wife of the claimant. [1918, s. 14. (4).]

- 20 88.—(1) The conditions to be fulfilled to entitle a claimant to an old age allowance are—
- (a) that at the commencement of the year of charge either he, or, in the case of a married man, his wife living with him, was of the age of sixty-five years or upwards; Conditions attaching to old age allowance. [1925, s. 15 (2).]
- 25 (b) that the total income of the claimant for the year of assessment does not exceed five hundred pounds, or, if it does exceed five hundred pounds, is not of such an amount that the allowance is reduced to nothing.
- 30 (2) If the claimant is entitled to earned income allowance, the amount of the old age allowance shall be reduced by the amount granted as earned income allowance.

Reduced rate allowance.

- 35 89. An individual shall for any year of charge be entitled, on a claim being made for the purpose, to have the standard tax remaining ultimately to be borne by him (after having been reduced by the amount of any Reduced rate allowance. [1918, s. 17; 1927,

PART III. allowances under the foregoing provisions of this Part
 —*cont.* of this Act) further reduced by a sum equal to two-thirds
 s. 40 (2); of the amount so remaining to be borne by him, or
 1931 (No. 2), equal to two-thirds of the tax at the standard rate in force
 s. 8; 1935, for that year on one hundred and thirty-five pounds, 5
 s. 22.] whichever is the less :

Provided that where an individual has received relief from United Kingdom income tax in respect of Dominion income tax, the reduction to be made under this section shall not be less than it would have been if no such relief had been given, but nothing in this section shall affect any adjustment required to be made under subsection (3) of section 108. 10

Allowance in respect of life assurance premiums.

Allowance in respect of life assurance premiums.
 [1918, ss. 17 and 32;
 1932, s. 20.]

- 90.—(1) Any individual—** 15
- (a) who has effected an assurance on his own life or on the life of his wife with an assurance company or an underwriter or a registered friendly society; or
 - (b) who has contracted for any deferred annuity on his own life or on the life of his wife with any such assurance company, underwriter or society, or with the National Debt Commissioners; or
 - (c) who is under any Act of Parliament, or under the terms or conditions of his employment, liable to the payment of any sum, or to the deduction from his emoluments of any sum, for the purpose of securing a deferred annuity to his widow or provision for his children after his death, 20 25 30

[1920, s. 26 (1).]

shall, subject to the provisions of the next succeeding section, on a claim being made for the purpose, be entitled to have the standard tax ultimately to be borne by him reduced by a sum representing tax at the appropriate rate on the amount of any premium paid, payment made, or deduction suffered by him in the year of charge in respect of any such assurance, contract or liability. 35

(2) Where a premium is paid, or a payment is made, by a wife out of her income in respect of an assurance on her own life or the life of her husband, or a contract for any deferred annuity on her own life or the life of her husband, a like reduction of tax shall be made, and this section shall apply as if for references to a wife were substituted references to a husband.

PART III.
—cont.
[1920, s. 26
(7).]

(3) Where in respect of any assurance or contract effected with a registered friendly society the premiums or payments are made payable at shorter intervals than three months, an individual who claims relief under this section must, in order to obtain relief, produce to the inspector a certificate, signed by an officer of the society, specifying the amount paid during the year of charge.

[1918, s. 32
(7).]

(4) For the purpose of this section---

“assurance company” means any company carrying on life assurance business which is legally established in any part of His Majesty’s dominions, or which lawfully carries on such business in the United Kingdom ;

[1918, s. 32
(1) (a).]

“underwriter” means any underwriter, being a member of Lloyd’s or of any other association of underwriters approved by the Board of Trade, who complies with the requirements set forth in the Eighth Schedule to the Assurance Companies Act, 1909.

[1932, s. 20.]
9 Edw. 7, c.
49.

91.—(1) An allowance under the last foregoing section—

Limitations
on amount
of allow-
ance.

(a) shall not be made in respect of any premiums, payments or deductions to the extent to which they exceed in the aggregate one-sixth of the total income of the claimant ;

[1918, s. 32.]

(b) shall not in respect of any premium or other payment payable on any policy for securing a capital sum on death (whether in conjunction with any other benefit or not) exceed a sum representing tax at the appropriate rate on an amount equal to seven per cent. of the actual capital

[1920, s. 26
(3), 1918,
s. 32.]

PART III.
—cont.

sum assured, and in calculating any such capital sum no account shall be taken of—

(i) any sum which is payable on the happening of any contingency other than death; or 5

(ii) the value of any premiums agreed to be returned; or

(iii) any benefit by way of bonus, share of profits, or otherwise which is not the sum actually assured; 10

[1918, s. 32;
1920, s. 26
(4).]

(c) shall not, in respect of any premiums or other payments payable for securing benefits which do not include a capital sum on death, exceed a sum representing tax at the appropriate rate on one hundred pounds. 15

(2) In the case of any assurance or contract made after the twenty-second day of June, nineteen hundred and sixteen, no allowance under the last foregoing section—

[1918, s. 32.]

(a) shall be given except in respect of premiums or other payments payable on policies for securing a capital sum on death, whether in conjunction with any other benefit or not; 20

[1918, s. 32.]

(b) shall be given in respect of premiums or other payments payable during the period of deferment in respect of a policy of deferred assurance: 25

[1918, s. 32;
1920, s. 26
(6).]

Provided that these restrictions shall not affect premiums or payments payable—

(i) on any policy taken out or contract made in connection with any superannuation or pension scheme for the benefit of the employees of any employer, or of persons engaged in any particular business, or for the benefit of the wife or widow of any such employee or person or of his children or other dependants; or 30

(ii) on any policy which was taken out or any contract which was made by a teacher in a secondary school pending the establishment of a superannuation or pension scheme for those teachers. 35

[1918, s. 32.]

(3) War assurance premiums shall not be taken into account in calculating the aforesaid limits of one-sixth 40

of the total income, or of seven per cent., or of one hundred pounds.

PART III.
—cont.

For the purposes of this subsection the expression “war assurance premiums” means any part of any premium or payment in respect of any policy or contract described in this or the preceding section which is attributable to risks arising from war or war service.

92. For the purposes of the last two preceding sections the “appropriate rate”—

Definition of “appropriate rate” for purposes of the last two preceding sections.

10 (a) in the case of an assurance or contract made after the twenty-second day of June, nineteen hundred and sixteen, shall be one-half the standard rate;

15 (b) in the case of an assurance or contract made on or before that date shall—

[1920, s. 26 (1).]

where the total income of the claimant does not exceed one thousand pounds, be half the standard rate;

20 where the total income of the claimant exceeds one thousand pounds but does not exceed two thousand pounds, be three-quarters of the standard rate;

25 where the total income of the claimant exceeds two thousand pounds, be the standard rate:

Provided that—

30 (i) where the taxable income of the claimant does not exceed one hundred and thirty-five pounds, the appropriate rate shall be one-third of the standard rate;

[1935; s. 23.]

35 (ii) where the taxable income of the claimant exceeds one hundred and thirty-five pounds, then in respect of the amount (if any) by which the premiums or payments are greater than such excess the appropriate rate shall be one-third of the standard rate.

For the purposes of this proviso, “taxable income” means the claimant’s total income, less the amounts by

PART III. reference to which any reductions of tax allowed to him
 —cont. in pursuance of section 81 are calculated.

Life
 assurance
 " marginal " allowance.
 [1920, s. 26
 (7).]

93. Where the amount of standard tax ultimately to be borne by any individual, after being reduced by the allowance under section 90, is greater than the amount of tax which would have been so borne by him if his total income exceeded one thousand pounds or two thousand pounds, as the case may be, the allowance under that section shall be increased by a sum representing the amount by which tax at one-fourth of the standard rate on the amount of the premium or payment in respect of which the allowance is made exceeds the tax at the standard rate on the amount by which the total income falls short of one thousand pounds or two thousand pounds, as the case may be.

RELIEF IN RESPECT OF LOSSES.

Set-off of
 loss of one
 business
 against
 profit of
 another.
 [1918, Sch.
 D., Cases I
 and II,
 r. 13.]

94. Where a person carries on either solely or in partnership two or more distinct businesses the profits of which are income of Class D, and in the computation of the assessable income for any year of charge as regards any one or more of those businesses a loss is disclosed, that person may set off the loss or his share of the loss disclosed against the assessable income of any other such business for that year of charge :

Provided that if such other business is carried on by him in partnership the amount to be so set off shall not exceed his share of the income thereof.

Repay-
 ment of tax
 to extent of
 tax on
 amount of
 loss.
 [1918, s. 34.]

95.—(1) Where for any year of charge any person has, in any business carried on by him either solely or in partnership, sustained a loss, he shall, on a claim being made for the purpose within one year after the end of that year, be entitled to repayment of such a sum as is necessary to reduce the aggregate amount of tax for that year ultimately borne by him to the amount which would have been so borne by him if his earned income, and so far as that is insufficient the rest of his income, for that year had been reduced by the amount of the loss.

(2) Where repayment has been made to a person for any year under this section, he shall not be entitled, in computing the amount in respect of which

he is to be charged for any subsequent year, to a set-off of any portion of the amount in respect of which such repayment has been obtained.

PART III.
—cont.

(3) This section shall apply to the occupation of land for the purpose of husbandry only, as if such occupation were the carrying on of a business.

96.—(1) Where for any year of charge a person has, in any business carried on by him either solely or in partnership, sustained a loss, that person may claim that any portion of the loss for which relief has not been given under section 94 or section 95 or any other provision of this Act shall be carried forward, and, as far as may be, set off against the amount in respect of which he is, or would but for this section be, liable to be charged as income of Class D arising from that business for any of the six following years of charge.

Right to carry forward loss incurred in a business.
[1926, s. 33.]

(2) In so far as relief in respect of any loss has been given to any person under this section, that person shall not be entitled to claim relief in respect of that loss under any other provision of this Act.

(3) Any relief under this section shall be given so far as possible for the first of the said six years, and, so far as it cannot be so given, then for the next of the said years, and so on.

97.—(1) Where on the computation of the income from any business for any year of charge a loss is disclosed, and in computing the income a deduction has been made in respect of wear and tear of machinery or plant, then—

Special provisions applicable to loss attributable to wear and tear.
[New.]

(a) if the amount of the loss does not exceed the deduction in respect of such wear and tear, the whole of the loss shall be treated as loss attributable to wear and tear;

(b) if the amount of the loss exceeds the deduction in respect of such wear and tear, so much of the loss as is equal to the deduction in respect of such wear and tear shall be treated as loss attributable to wear and tear, and the residue

PART III.
—cont.

of the loss shall be treated as loss not attributable to wear and tear.

(2) So much of the last preceding section as limits to six years the time within which a loss may be carried forward shall not apply to loss attributable to wear and tear. 5

[1932, s. 19
(1).]

(3) Where a loss not attributable to wear and tear has been carried forward, and as regards that loss or any part thereof effect or full effect cannot be given to the relief conferred by the last preceding section within the six years therein mentioned by reason of the amount of the income which would otherwise have been available for the purpose during those six years being reduced by deductions in respect of wear and tear, or being applied in satisfaction of any loss attributable to wear and tear which has been carried forward, then that part of the loss not attributable to wear and tear in respect of which relief could have been given but for the reasons aforesaid shall be further carried forward and set off in accordance with the said last preceding section as if, in relation thereto, the said limitation of six years did not apply: 10 15 20

Provided that a deduction for wear and tear, or a set-off of loss attributable to wear and tear, to which effect is given in any year of charge shall not be taken into account more than once for the purposes of this subsection. 25

[1932, s. 19
(2).]

(4) Any relief under the last preceding section shall be given in respect of a loss, not attributable to wear and tear, carried forward from a year within the six years immediately preceding the year of charge before it is given in respect of such a loss carried forward from a year not within those six years. 30

Interest, etc.
paid in
connection
with
business
to be
treated as
loss in
certain
circum-
stances.
[1928, s. 19,
1932, s. 19.]

98.—(1) Where for any year of charge a person carrying on a business has been charged with tax in respect of a payment or part of a payment separately assessed under section 72, and that payment was made by that person exclusively for the purposes of that business, the amount on which tax has been paid in pursuance of that charge shall be carried forward and set off in like manner as a loss not attributable to wear and tear may be carried forward and set off under the last two preceding sections. 35 40

(2) No relief shall be granted under this section in respect of any such payment or any part of such payment if and so far as the payment does not ultimately fall to be borne by the person carrying on the business, or if and so far as it is charged to capital.

PART III.
—cont.

99.—(1) Where a business carried on by an individual, or by any individuals in partnership, has been transferred to a company in consideration solely or mainly of the allotment of shares of the company to that individual or to those individuals or to his or their nominee, then, if—

Relief for loss where business transferred to a company.
[1927, s. 29.]

- (a) the total income of any such individual for any year of charge includes any income derived by him from the company, whether by way of dividends on those shares or otherwise; and
- (b) he is the beneficial owner of the shares throughout that year; and
- (c) the company carries on business throughout that year,

the provisions of section 96 shall apply as if the income so derived were an amount in respect of which that individual was liable to be charged as income of Class D arising from that business for that year, and accordingly as an amount against which any loss sustained before the transfer and carried forward may be set off :

Provided that—

- (i) where the loss falls to be set off against any such income for any year of charge, the set-off shall be made in the first place against that part, if any, of the income so derived in respect of which the individual has been or is liable to be directly charged with tax for that year;
- (ii) where the income against which the loss or part of the loss falls to be set off is income from which tax was deductible by the company, the individual shall, on a claim being made for the purpose not later

PART III.
—cont.

than twelve months after the end of the year of charge to which the claim relates, be entitled to an appropriate repayment of tax :

(iii) subsection (3) of section 97 shall not apply 5
to a loss carried forward under section 96
as applied by this section :

(iv) this section shall not apply to loss attributable
to wear and tear.

(2) As respects the year of charge in which the 10
business is transferred this section shall have effect as
if for the references in paragraphs (b) and (c) of
subsection (1) to the year of charge there were substituted
references to the period from the date of transfer to the
fifth day of April next following. 15

Relief in
respect of
losses in
certain
transac-
tions.

100.—(1) For the purposes of this section “ trans-
action ” means a transaction (other than a discounting
transaction) of such a nature that profits arising there-
from would be income of Class K.

[1927, s. 27.]

(2) Where in any year of charge a person has, in any 20
transaction, whether he was engaged therein solely or in
partnership, sustained a loss, that person may claim that
the amount of the loss sustained by him shall, as far as
may be, be set off against the amount of any profits arising
from any other transaction in respect of which he is 25
liable to be charged for that year, and that any portion
of the loss for which relief is not so given shall be carried
forward and, as far as may be, set off against the amount
of any profits arising from any transaction in respect of
which he is, or would but for this section be, liable 30
to be charged for any of the six following years of
charge.

(3) Any relief under this section by way of the
carrying forward of the loss shall be given so far as
possible for the first of the said six years, and so far as it 35
cannot be so given, then for the next of the said years,
and so on.

VARIOUS RELIEFS.

PART III.
—cont.

101.—(1) If the average annual cost to the proprietor of any land to which this section applies of maintenance, repairs, insurance and management during the preceding five years has exceeded the repairs deduction for the year of charge, he shall, on a claim being made for the purpose, be entitled to repayment of so much of the tax ultimately borne by him in respect of income of Class A arising from the land as is equal to the amount of the tax on the excess.

Allowance for maintenance of land.

[1918, Sch. A, No. V. r. 8.]

(2) In comparing, for the purposes of this section, the cost of maintenance, repairs, insurance and management of any land with the repairs deduction allowed in respect of that land, the total cost of the maintenance, repairs, insurance and management of any land managed as one estate shall be compared with the total of the repairs deductions allowed in respect of that land.

(3) For the purposes of this section—

20 (a) “proprietor” in relation to any land means the person who, whether owner, landlord, or occupier, is liable to bear such cost as aforesaid :

25 (b) “the preceding five years” shall be taken to be the period of five years ending on the thirty-first day of March in the year preceding the year of charge, or on such other day in the said preceding year as may be adopted by the owner of the land with the consent of the inspector :

30 (c) “maintenance” includes the replacement of farmhouses, farm buildings, cottages, fences and other works where the replacement is necessary to maintain the existing rent, and also includes additions or improvements to farmhouses, farm buildings or cottages, but only if no increased rent is payable in respect of the additions or improvements and in so far as they are made in order to comply with the provisions of any statute or the regulations or byelaws of a local authority.

35 [1924, s. 25.]

40

PART III.
—cont.
[1922, s. 25.]

(4) This section shall apply to any land in computing the annual value of which a repairs deduction has been allowed.

(5) No repayment of tax shall be made under this section in respect of the cost of maintenance, repairs, insurance or management if, or to such extent as, that cost has been otherwise allowed as a deduction in computing income for the purposes of tax. 5

Relief in
respect of
rent lost.
[1918, s.204,
extended
to Great
Britain.]

102.—(1) Where the lessor of any land has borne the tax charged in respect of the income of Class A arising from the land, and the rent of the land for the period for which the tax was charged, or any part of that rent, has been irrecoverably lost otherwise than through the fault of the lessor, he shall, on a claim being made for the purpose, be entitled to be repaid the tax, or so much thereof as is proportionate to the part of the rent so lost. 15

(2) Any such claim must be made within one year after the end of the year of charge to which the claim relates. 20

Relief in
respect of
owner's
rates in
Scotland.
[1918, Sch.
A, No. V,
r. 4.]

103. Where as respects any land in Scotland—

(a) the landlord is liable to bear any local rates which in England are borne by the occupier; or

(b) the land is charged with any public burdens and there is no corresponding charge on land in England, 25

the landlord shall, on a claim being made for the purpose, be entitled to such relief as is reasonable having regard to the additional burden on him, and the relief may be given either by deduction from the rental value in computing the annual value of the land, or by repayment of tax. 30

Repayment
of tax on
interest
paid to
banks and
to discount
houses, etc.,
out of taxed
income.
[1918, s. 36.]

104.—(1) Where interest payable in the United Kingdom on an advance from a bank carrying on a bona-fide banking business in the United Kingdom is paid to the bank by the person to whom the advance was made, without deduction of tax, and the payment is a payment made wholly or partially out of taxed or taxable income, such person as aforesaid shall, on a claim being made for the purpose, be entitled to repayment of tax on 35 40

an amount equal to the whole or such part of the interest as the case may require. PART III.
—cont.

(2) Where interest (not being yearly interest) payable in the United Kingdom on an advance from a person who—

(a) is bona fide carrying on business as a member of a stock exchange in the United Kingdom ; or

(b) is bona fide carrying on the business of a discount house in the United Kingdom,

is paid to that person by the person to whom the advance was made, without deduction of tax, and the payment is a payment made wholly or partially out of taxed or taxable income, the person by whom the interest is paid shall, on a claim being made for the purpose, be entitled to repayment of tax on an amount equal to the whole or such part of the interest as the case may require :

Provided that no such repayment shall be made unless it is shown that the interest has been or will be brought into account in the return delivered or to be delivered for the purpose of tax by the person making the advance.

105.—(1) Where in pursuance of the provisions of any will or settlement any income from any fund is accumulated for the benefit of a person contingently on his attaining some specified age or on his marrying, that person shall, on a claim being made for the purpose, be entitled to have repaid to him a sum equal to the aggregate amount of relief to which he would have been entitled if his total income for each of the several years during the period of accumulation had included all income for that year so accumulated for his benefit :

Relief from tax in respect of income accumulated under trusts. [1918, s. 25.]

Provided that in calculating the sum to be so repaid a reduction shall be made in respect of any relief already granted.

(2) A claim under this section must be made not later than six years after the end of the year of charge in which the contingency happens. [1923, s. 30 (2).]

PART III.

—cont.

Relief in respect of errors and mistakes in returns.

[1923, s. 24;
1926, s. 27;
1927, ss. 42
(3) and 45
(8).]

106.—(1) Where the amount of tax paid or borne by any person was excessive by reason of some error or mistake in a return made by him or on his behalf, he shall, on a claim being made for the purpose, be entitled to be given by way of repayment such relief as is reasonable and just. 5

(2) A claim under this section must be made not later than six years after the end of the year of charge for which the assessment in pursuance of the return was made. 1

(3) No relief shall be granted under this section in respect of an error or mistake as to the basis on which the liability of the claimant ought to have been computed, if the return was in fact made on the basis of or in accordance with the practice prevailing at the time when the return was made. 1

(4) In determining a claim under this section, regard shall be had to all the relevant circumstances of the case and in particular it shall be considered whether the granting of the relief would result in the exclusion from charge of any part of the income of the claimant, and for this purpose the liability of the claimant, the assessments of his income, and the amounts of tax with which he has been charged, or which he has borne, for other years may be taken into consideration. 2

(5) This section shall not apply with regard to any return made for the purpose of the ascertainment of rental value, annual value or occupation value of any land. 2

RELIEF FROM DOUBLE TAXATION. 3

Dominion income tax relief.

Definitions for purposes of ss. 108–111.

[1920, s. 27
(8) (a).]

[1920, s. 27
(8) (b).]

107. For the purpose of the four next succeeding sections—

- (1) The expression “Dominion” means any part of His Majesty’s dominions outside the United Kingdom: 3
- (2) The expression “United Kingdom tax” means income tax chargeable in accordance with the provisions of this Act:

(3) The expression " Dominion income tax " means PART III.
 any tax charged under any law in force in any —cont.
 Dominion which appears to the Special Com- [1920, s. 27
 missioners to be a tax of the same nature as (8) (c).]
 5 United Kingdom income tax :

(4) The expression " appropriate rate of United [1927, 5th
 Kingdom tax " in relation to any year of charge Sch., Part
 means— II-2 (v).]

10 (a) in the case of a person who is chargeable
 in respect of his income with standard tax
 only, a rate ascertained by dividing the
 amount of tax which he is liable to bear
 for that year in respect of his total income
 15 (before reduction on account of any relief
 granted under section 90 or under section 108)
 by the amount of his total income, less the
 amounts by reference to which any reductions
 of tax allowed to him in pursuance of section 81
 are calculated ;

20 (b) in the case of a person who is chargeable
 with sur-tax, the sum of the following rates :—

(i) the rate which would have been the
 appropriate rate in the case of that person
 if he had been chargeable with standard
 25 tax only ; and

(ii) the rate ascertained by dividing the
 amount of the sur-tax payable by that
 person for the preceding year by the amount
 of his total income for that year :

30 (5) The expression " Dominion rate of tax " in relation
 to any year means—

(a) the rate determined by dividing the [1920, s. 27
 amount of the Dominion income tax borne for (8) (d).]
 that year by the amount of the income in
 35 respect of which the Dominion income tax is
 so borne ; or

(b) in any case where the Dominion income
 tax is charged in respect of an amount other
 than the ascertained amount of the actual
 40 profits, such rate as the Special Commissioners
 determine.

- PART III.**
—*cont.*
- Relief where
United
Kingdom
and
Dominion
income tax
paid in
respect of
same
income.
[1920, s. 27
(1).]
[1920, s. 27
(5).]
- 108.**—(1) If for any year of charge any person has paid or borne, or is liable to pay or bear, United Kingdom tax in respect of any part of his income, and for the corresponding year has paid or borne Dominion income tax in respect of the same part of his income, he shall, on a claim being made for the purpose, be entitled to relief from United Kingdom tax paid or borne, or to be paid or borne, by him in respect of that part of his income to an amount equal to tax in respect thereof at the Dominion rate of tax, or at one-half of the appropriate rate of United Kingdom tax, whichever is the less.
- (2) Where under section 77 a company is entitled to deduct tax from any dividend, and that company has been granted relief from tax under this section, tax may not be deducted at a rate greater than the rate at which the company bears United Kingdom tax on the whole of its income, after account has been taken of the relief so granted.
- [1920, s. 27
(3).]
- (3) Where the rate at which a deduction from a payment made to an individual is, in consequence of any relief granted under this section, less than the standard rate, but is greater than the rate appropriate to the case of that individual, then, in granting to that individual the reduced rate allowance to which he may be entitled under section 89, such adjustment shall be made as may be necessary to secure that the amount of United Kingdom tax ultimately borne by him shall be equal to the amount which would have been so borne by him if the deduction had been made at the appropriate rate to his case.
- [1927, s. 40
(1) proviso.]
- (4) Where a person has, in respect of any income, obtained relief under this section, the provisions of this Act relating to standard tax shall, as respects that income, be construed subject to the necessary modifications, and if the relief has been obtained by an individual, and that individual is entitled to any allowance under this Part of this Act the amount whereof is calculated by reference to the standard rate of tax, the necessary adjustment shall be made in that allowance.
- [1927, s. 42
(6).]
- (5) Relief under this section shall not be taken into account in charging sur-tax, but shall be granted from standard tax.

PART III.
—*cont.*

Computation of Dominion income for purposes of United Kingdom tax.

[1920, s. 27
(4).]

- 109.—(1) Where a title to relief under the last preceding section exists in respect of any income arising in a Dominion, then, in computing the amount of that income for the purposes of United Kingdom tax, the provisions of this Act authorising a deduction of sums paid in respect of income tax in the place where the income arises shall not apply, but the income shall be the net Dominion income increased by the appropriate addition.
- 10 (2) The appropriate addition :—
- (a) in the case of a Dominion by which reciprocal relief is granted, shall be the amount of the Dominion income tax borne, whether by direct charge, deduction or otherwise ;
- 15 (b) in the case of a Dominion by which no reciprocal relief is granted, shall be the smaller of the two following amounts—
- (i) the amount of the Dominion income tax so borne as aforesaid ;
- 20 (ii) the amount of the relief granted or to be granted under the last preceding section for the year which for the purposes of United Kingdom tax is the year of computation.
- 25 (3) For the purpose of this section, the expression “ net Dominion income ” means the amount which remains or will remain to the person beneficially entitled to the income after he has borne Dominion income tax, whether by direct charge, deduction, or otherwise.
- 30 (4) Where the amount of income is for the purposes of United Kingdom tax to be computed by reference to the amount received in the United Kingdom, and the income is income arising in a Dominion, the foregoing provisions of this section shall not apply, but to the amount so received there shall be added the proportionate part of the Dominion income tax borne or to be borne in respect of the fund out of which the sum received in the United Kingdom is paid.
- 35 (5) Where any income subject to United Kingdom tax is income of Class L and the paying agent is not

PART III.
—cont.

in a position to ascertain the amount of the appropriate addition to be made under this section, then, for the purpose of determining the amount of tax to be paid and deducted by the paying agent, the amount payable by him may, in the first instance, be taken as the amount 5 in respect of which tax is chargeable, but in such a case the person entitled to any such payment shall be chargeable with tax in respect of the amount of such addition as if it were income of Class K.

Power of Board to make regulations as to Dominion income tax relief.

[1920, s. 27 (7).]

110. The Board may make regulations generally 10 for carrying out the provisions of the two last preceding sections, and may, in particular, by those regulations provide—

- (a) for making such arrangements with the Govern- 15 ment of any Dominion, under the law in force in which provision is made for relief from Dominion income tax on account of liability to United Kingdom tax, as may be necessary to enable the appropriate relief to be granted;
- (b) for prescribing the year which, in relation to 20 any Dominion income tax, is for the purpose of relief under the last three preceding sections to be taken as corresponding to the year of charge for the purposes of United Kingdom tax. 25

Special provisions as to relief in case of Irish Free State.

[1926, s. 23; 1928, s. 21.]

111.—(1) The Agreement made the day of , between His Majesty's Govern- 30 ment in the United Kingdom and His Majesty's Government in the Irish Free State in respect of double income tax (which Agreement is set forth in Part I of the First Schedule to this Act), is hereby confirmed, and shall have effect with respect to exemption or relief from United Kingdom tax for any year for which by virtue of an Act of the Legislature of the Irish Free State it has 35 effect with respect to exemption or relief from Irish Free State income tax and sur-tax.

(2) For the purpose of giving effect to the said Agreement, this Act, in relation to persons resident in the United Kingdom (whether or not also resident in the Irish Free State), and to persons entrusted with 40 payment to persons so resident, and in relation to claims

by persons resident in the Irish Free State, shall for any year for which the said Agreement is in force have effect subject to the modifications set forth in Part II of the said Schedule. PART III.
—cont.

- 5 (3) For any year for which the said Agreement is in force the four last preceding sections shall not be applicable as respects the Irish Free State, except to such extent as is provided by the said Agreement.

Relief under reciprocal arrangements.

- 10 112.—(1) If His Majesty in Council is pleased to declare— Profits from
businesses
of shipping
and air
transport.
[1923, s. 18;
1924, s. 31;
1931, s. 9.]
- 15 (a) that under the law in force in any foreign State or in any part of His Majesty's dominions outside the United Kingdom a tax in the nature of income tax is chargeable in respect of profits arising from the business of shipping, or from the business of air transport, being income in respect of which United Kingdom tax is also chargeable; and
- 20 (b) that specified arrangements have been made with the Government concerned with a view to relief from such double taxation,

then, if and so long as such arrangements have the force of law in that State or that part of His Majesty's dominions, the arrangements specified in the declaration shall have effect, and relief shall be granted from United Kingdom tax in accordance therewith.

- 30 (2) In this section the expression "business of shipping" means the business carried on by an owner or charterer of ships, and the expression "business of air transport" means the business carried on by an owner or charterer of aircraft.

113. Subject to the provisions of this section, if His Majesty in Council is pleased to declare— Profits
through
agencies.
[1930, s. 17.]

35 (a) that in respect of any profits arising directly or indirectly to a person resident in any foreign State or in any part of His Majesty's dominions outside the United Kingdom through an agency in the United Kingdom, or to a person resident

PART III.
—cont.

in the United Kingdom through an agency in any foreign State or in any part of His Majesty's dominions outside the United Kingdom, there are chargeable both United Kingdom tax and a tax in the nature of income tax payable 5 under the law in force in that foreign State or that part of His Majesty's dominions; and

- (b) that specified arrangements have been made with the Government concerned with a view to relief from such double taxation, 10

then, if and so long as such arrangements have the force of law in that State or that part of His Majesty's dominions, the arrangements specified in the declaration shall have effect, and relief shall be granted from United Kingdom tax in accordance therewith: 15

Provided that no arrangement made under this section shall provide for the grant of relief from United Kingdom tax in the case of any profits which either—

- (i) arise from the sale of goods from a stock in the United Kingdom; or 20
- (ii) accrue to a person resident in the United Kingdom; or
- (iii) accrue to a person not resident in the United Kingdom directly or indirectly through any branch or management in the United Kingdom 25 or through any agency in the United Kingdom where the agent has and habitually exercises general authority to negotiate and conclude contracts.

Provisions supplemental to the last two preceding sections.

[1923, s. 18 ;
1924, s. 31 ;
1930, s. 17.]

114. For the purpose of the last two preceding 30 sections the following provisions shall have effect:—

- (1) Any declaration made by His Majesty in Council under either of those sections shall as soon as may be after it is made be laid before the Commons House of Parliament for a period of 35 thirty days during the Session of Parliament, and if an address is presented to His Majesty by that House before the expiration of that period praying that the declaration may be revoked, His Majesty in Council may revoke the declara- 40 tion and the arrangements specified in the declaration shall thereupon cease to have effect,

but without prejudice to the validity of anything previously done thereunder or to the making of a new declaration :

PART III.
—cont.

5 Provided that in reckoning any such period of thirty days, no account shall be taken of any time during which the Commons House of Parliament is adjourned for more than four days.

10 (2) An arrangement made under either of those sections, so far as it relates to relief from United Kingdom tax, shall cease to have effect if and when His Majesty is pleased to revoke the declaration relating thereto.

PART IV.

EXEMPTIONS.

15 *Exemptions relating to property.*

115.—(1) Tax shall not be chargeable in respect of the accumulated interest accruing due under a savings certificate to which this section applies so long as the aggregate amount of the certificates held by the holder thereof does not exceed the amount which a person is for the time being under regulations made by the Treasury authorised to hold.

Interest on Savings Certificates. [1918, s. 47; 1919, s. 24; Savings Banks Act, 1920, s. 7; 1922, s. 28.]

(2) The savings certificates to which this section applies are :—

25 (a) war savings certificates or national savings certificates issued by the Treasury through the Post Office; and

(b) Ulster savings certificates issued by the Government of Northern Ireland,

30 under which the purchaser, by virtue of an immediate payment of a certain sum, becomes entitled after a period of years to receive a greater sum :

35 Provided that in the case of Ulster savings certificates, the exemption conferred by this section shall not apply unless the holder is resident and domiciled in Northern Ireland, and for the reference to regulations made by the Treasury there shall be substituted a reference to regulations made by the Ministry of Finance for Northern Ireland.

PART IV.
—cont.
Wounds and
disability
pensions,
and allow-
ances to war
widows in
respect of
children.
[1919, s. 16;
1922, s. 27.]

116.—(1) Tax shall not be chargeable in respect of wounds and disability pensions to which this section applies.

(2) The pensions to which this section applies are— 5

- (a) wounds pensions granted to members of the naval, military, or air forces of the Crown;
- (b) retired pay of disabled officers granted on account of medical unfitness attributable to or aggravated by naval, military or air-force service; 10
- (c) disablement or disability pensions granted to members, other than commissioned officers, of the naval, military, or air forces of the Crown on account of medical unfitness attributable to or aggravated by naval, military or air-force service; 15
- (d) disablement pensions granted to persons who have been employed in the nursing services of any of the naval, military, or air forces of the Crown on account of medical unfitness attributable to or aggravated by naval, military or air-force service; 20
- (e) injury and disablement pensions payable under any scheme made under the Injuries in War (Compensation) Act, 1914, the Injuries in War Compensation Act, 1914 (Session 2), and the Injuries in War (Compensation) Act, 1915, or under any War Risks Compensation Scheme for the Mercantile Marine : 25

4 & 5 Geo. 5.
c. 30.
5 & 6 Geo. 5.
c. 18.
5 & 6 Geo. 5.
c. 24.

Provided that, where the amount of any such pension (including retired pay) is not solely attributable to disablement or disability, the exemption conferred by this section shall extend only to such part as is certified by the Minister of Pensions, after consultation with the appropriate Government department, to be attributable to disablement or disability. 30

(3) Allowances granted by the Minister of Pensions under a Royal Warrant, Order in Council, or order administered by him to widows of members of the

naval, military or air forces of the Crown in respect of their children shall not be treated as income of any such widows. PART IV.
—cont.

117. Where any property is held upon trust for the reduction of the National Debt in accordance with directions which are valid and effective under section nine of the Superannuation and other Trust Funds (Validation) Act, 1927, tax shall not be chargeable in respect of any income derived from that property or from any accumulations of any such income. Funds for reduction of National Debt.
[1928, s. 30.]
17 & 18
Geo. 5. c. 41.

118.—(1) Tax shall not be chargeable in respect of the emoluments of a scholarship held by a person receiving full-time instruction at a university, college, school, or other educational establishment. Emoluments of scholarships.
[1920, s. 28.]

(2) For the purposes of this section the expression "scholarship" includes an exhibition, bursary or any other similar educational endowment.

119.—(1) Tax shall not be chargeable in respect of the annual value of a sewer vested in a local authority in the United Kingdom : Sewers.
[1921, s. 34.]

Provided that where the local authority in which the sewer is vested is liable to make any annual payment in respect of the sewer in such circumstances that the authority would, apart from this section, be entitled under this Act to deduct tax therefrom, the authority shall be chargeable with tax as if the exemption conferred by this section did not apply and the annual value of the sewer were equal to the annual payment.

(2) In this section—

"Sewer" means a sewer maintained by a local authority in pursuance of their statutory duties in relation to the public health;

"Local authority" means a public body having power under any enactment relating to the public health to construct and maintain sewers.

PART IV.

—cont.

Charities.

[1921, s. 30

(1) (a) and

(2).]

Exemptions relating to persons.

120.—(1) A charity shall be entitled to exemption from tax in respect of income of Class A in the case of land owned and occupied by the charity, except so far as any part of the land is in the use and enjoyment of a person whose total income for the year of charge amounts to one hundred and fifty pounds or upwards : 5

Provided that where the charity is liable to make any annual payment in respect of the land, and would, apart from this subsection, be entitled to deduct tax therefrom, the charity shall be chargeable with tax as if the exemption conferred by this subsection did not apply, and the annual value of the land were equal to the annual payment. 10

[1918, s. 37

(1).]

(2) A charity shall be entitled to exemption from tax in respect of rents and profits arising from land, wheresoever situate, not occupied by the charity if and so far as those rents and profits are applied to charitable purposes only. 15

[1921, s. 30

(1) (b) and

(2).]

(3) A charity in the occupation of any land shall be entitled to exemption from tax in respect of income of Class B arising therefrom, except so far as any part of the land is in the use and enjoyment of a person whose total income for the year of charge amounts to one hundred and fifty pounds or upwards : 20

Provided that, in the case of land occupied for husbandry only, this subsection shall not apply unless the work in connection with the husbandry is mainly done by the beneficiaries of the charity and the profits (if any) arising therefrom are applied solely to the purposes of the charity. 30

[1921, s. 30

(1) (c);

1926, s. 28;

1927, s. 24.]

(4) A charity shall be entitled to exemption from tax in respect of income of Class D arising from a business, or from a concern within the meaning of section 217, carried on by the charity, if the profits are applied solely to the purposes of the charity and, in the case of a business not being such a concern, either— 35

(i) the business is carried on in the course of the actual fulfilment of a primary purpose of the charity; or 40

(ii) the work in connection with the business is mainly done by the beneficiaries of the charity.

(5) A charity shall be entitled to exemption from tax in respect of income of Class C, and of income of any other Class being interest, annuities, dividends or other annual payments, if and so far as the income is applied to charitable purposes only.

PART IV.

—cont.

[1918, s. 37
(1).]

(6) For the purposes of this section, "charity"— [1918, s. 37

(i) means any body of persons or trust established for charitable purposes only; and (1); 1921, s. 30 (3).]

10 (ii) where any property or fund the income whereof is applicable to charitable purposes only is entrusted to any person or body of persons, means, in relation to that property or fund and the income thereof, that person or body.

15 (7) The special rights of exemption conferred by sections 122, 123 and 124 on the colleges, halls and institutions to which those sections apply, shall not affect the right of any such college, hall or institution, if it is a charity within the meaning of this section, to exemption under the provisions of this section other than
20 subsection (1) thereof.

121.—(1) Where a charity is entitled to the residuary estate of any testator and the residue or some part thereof is not paid to the charity until after the expiration of one year after the death of the testator, Allocation of income to charity.

25 there shall be treated as being income of the charity for the purposes of this Act such portion of the income, if any, which accrued to the estate in respect of the period between the expiration of the said year and the date of payment as would have accrued to the charity if— [1922, s. 30.]

30 (a) the residue, or the said part of the residue, had been paid to the charity immediately after the expiration of the said year; and

35 (b) the assets constituting the estate (excluding any part thereof specifically bequeathed or devised) on that date had then been apportioned rateably as between the creditors, legatees (other than specific legatees) and persons entitled to the residue.

40 (2) If any question arises as to the amount which ought by virtue of this section to be treated as being income of a charity, or as to the amount of tax which has been paid or borne in respect of any income

PART IV. which is by virtue of this section treated as being income
 —*cont.* of a charity, that question shall, on a claim being
 made for the purpose, be determined in manner provided
 by section 301.

(3) For the purposes of this section the expression 5
 “charity” has the same meaning as for the purposes of
 the last preceding section, and references to the residuary
 estate of a testator include references to a share of such
 an estate.

University
 Colleges and
 Halls.
 [1918,
 Sch. A,
 No. VI,
 r. 1 (a).] **122.**—(1) A college or hall in a university of the 10
 United Kingdom shall be entitled to exemption from tax in
 respect of income of Class A in the case of public
 buildings and offices of the college or hall, except so far
 as any part of them is in the use and enjoyment of any
 individual member of the college or hall, or of any person 15
 paying rent.

[1918,
 Sch. A,
 No. VI, r. 1
 (b).] (2) Such a college or hall shall be entitled to have the
 tax borne, or liable to be borne, by it for any year of
 charge reduced by an amount representing tax on the
 amount expended by it in the year preceding that year 20
 on the repair of the buildings and offices of the college
 or hall, and of the garden, walks and grounds for
 recreation, repaired and maintained by it.

Hospitals,
 Public
 Schools and
 Almshouses.
 [1918, s. 37
 (1) (a),
 Sch. A,
 No. VI,
 r. 1 (c).] **123.**—(1) An institution to which this section
 applies shall be entitled to exemption from tax— 25

- (a) in respect of income of Class A in the case of the
 public buildings, offices and premises belonging
 to the institution, except so far as any part of
 them is in the use and enjoyment of any
 individual officer or master of the institution 30
 whose total income amounts to one hundred
 and fifty pounds or upwards, or of any person
 paying rent;
- (b) in respect of rents and profits arising from land
 not occupied by the institution, if and so far as 35
 those rents and profits are applied to charitable
 purposes only.

[1918,
 Sch. A,
 No. VI,
 r. 1 (d).] (2) Such an institution shall be entitled to have the
 tax borne, or liable to be borne, by it for any year of
 charge reduced by an amount representing tax on the 40
 amount expended by it in the year preceding that year

on the repair of the premises of such institution, and of the gardens, walks and grounds used for the sustenance or recreation of the beneficiaries of the institution, and maintained by the institution. PART IV.
—cont.

5 (3) This section shall apply to the following institutions, that is to say, any hospital, public school or almshouse.

10 124. A literary or scientific institution shall be entitled to exemption from tax in respect of income of Class A in the case of any building being the property of the institution— Literary and Scientific Institutions.
[1918, Sch. A, No. VI, r. 1 (e).]

(a) if it is used solely for the purposes of the institution; and

15 (b) if no payment is made or demanded for any instruction there afforded by lectures or otherwise,

except so far as any part of the building is in the use and enjoyment of an officer of the institution, or of any person paying rent.

20 125.—(1) An unregistered friendly society whose income for the year of charge does not exceed one hundred and sixty pounds shall be entitled to exemption from tax in respect of the whole of its income. Friendly Societies.
[1918, s. 39 (1); 1926, s. 28.]

25 (2) A registered friendly society which is precluded, by Act of Parliament or by its rules, from assuring to any person a sum exceeding three hundred pounds by way of gross sum, or fifty-two pounds a year by way of annuity, shall be entitled to exemption from tax in respect of its income, except income of Class B.

30 126.—(1) A registered trade union which is precluded, by Act of Parliament or by its rules, from assuring to any person a sum exceeding three hundred pounds by way of gross sum, or fifty-two pounds a year by way of annuity, shall be entitled to exemption from tax in Registered Trade Unions.
[1918, s. 39 (2) 1926, s. 28.]

35 respect of its income, except income of Class B, so far as that income is applicable and applied solely for the purpose of provident benefits.

40 (2) For the purposes of this section the expression “provident benefits” includes any payment expressly authorised by the registered rules of the trade union

PART IV. to be made to a member during sickness or incapacity
 —*cont.* from personal injury or while out of work, or to an aged
 member by way of superannuation, or to a member who
 has met with an accident, or has lost his tools by fire or
 theft, and includes a payment in discharge or aid of 5
 funeral expenses on the death of a member, or the wife
 of a member, or as provision for the children of a deceased
 member.

National
 Health
 Insurance
 funds.
 [1918, s. 39
 (5) & (6)
 1926, s. 28.]

127.—(1) The following bodies, namely—

- (a) an approved society within the meaning of 10
 the National Health Insurance Acts, 1924 to
 1935, and any branch of such a society, in
 respect of income derived from any funds or
 credits of the society under those Acts, or
 from any investments thereof; 15
- (b) the Minister of Health, the Department of
 Health for Scotland, the Ministry of Labour
 for Northern Ireland, and the National Health
 Insurance Joint Committee, in respect of
 income derived from funds held by them or 20
 under their control and management under
 or for the purposes of the said Acts;
- (c) an insurance committee established under the
 said Acts, in respect of income derived from 25
 any funds or credits of the committee under
 the said Acts, or from any investment
 thereof;
- (d) the body administering the special fund re-
 ferred to in section sixty-four of the National
 Health Insurance Act, 1924, in respect of 30
 income derived from that fund, or from
 any investment thereof,

14 & 15
 Geo. 5. c. 38.

shall be entitled to exemption from tax.

(2) Any exemption under this section shall be
 in addition to and not in derogation of any other 35
 exemption.

Funds under
 Unemploy-
 ment
 Insurance
 Schemes.

128. The body charged with the administration of
 a special scheme or a supplementary scheme established
 under the Unemployment Insurance Act, 1935, or any
 Act repealed by that Act, shall be entitled to exemp- 40
 tion from tax in respect of any income receivable by

them from any source whatsoever for the purposes of the scheme.

PART IV.

—cont.

[1921, s. 33;
Geo. 5. c. 8.]

129.—(1) An agricultural society shall be entitled to exemption from tax in respect of profits arising from an exhibition or show held for the purposes of the society if those profits are applied solely to the purposes of the society.

Agricultural
Societies.

[1924, s. 23.]

(2) For the purposes of this section the expression “agricultural society” means any society or institution established for the purpose of promoting the interests of agriculture, horticulture, live-stock breeding, or forestry.

130. The trustees of the British Museum shall be entitled to exemption from tax—

British
Museum.

15 (a) in respect of the annual value of land vested in them;

[1918, s. 38.]

20 (b) in respect of income of Class G, Class H, Class I, Class L or Class M so far as that income is derived from stocks, shares or securities vested in them, or in any other person for their use, and so far as the income is applicable to the purposes of the Museum only, and is so applied.

131. The Reserve Bank of India constituted under an Act of the Indian Legislature called the Reserve Bank of India Act, 1934, shall be entitled to exemption from tax in respect of any income accruing to the Department of the Bank.

Reserve
Bank of
India.

[1934, s. 22.]

132. A savings bank shall be entitled to such exemption from tax as is conferred by section 215.

Savings
Banks.[1918, s. 39
(3).]

30 *General provisions.*

133.—(1) A person shall not be entitled under this Part of this Act to exemption from tax in respect of any income the tax on which he is entitled to charge against any other person, or to deduct, retain or satisfy out of any payment which he is liable to make to any other person.

General
provisions
as to ex-
emptions.

[1918, s. 17.]

PART IV. (2) Any exemption under this Part of this Act shall
—*cont.* be granted on a claim being made for the purpose :

[1918, Sch. C,
"Bank"
r. 10.]

Provided that where as respects any interest, annuity or other annual payment, being income of Class G or Class L, belonging to a charity, such a certificate as is mentioned in section twenty-eight of the Charitable Trusts Amendment Act, 1855, has been given to the Bank of England, the Bank shall not deduct tax. 5

18 & 19
Vict. c. 124.

PART V.

SUR-TAX.

10

General provisions.

Application
of Act to
sur-tax.

[1927, s. 38
(1); 1927,
s. 42 (1).]

134. Such of the provisions of this Act as are expressly limited to standard tax shall not apply to sur-tax, and the remaining provisions shall in their application to sur-tax have effect subject to the modifications contained in this Part of this Act. 15

Income in
respect of
which
sur-tax
chargeable.

[1927, s. 38
(1).]

135.—(1) Sur-tax shall be chargeable only in respect of income of an individual, and in respect of so much only of the total income of an individual as is in excess of the amount stated in the Act imposing the charge. 20

(2) Sur-tax shall, subject to the provisions of Part VI of this Act relating to married women, persons of unsound mind, and deceased persons, be chargeable only on the individual beneficially entitled to the income, and Part II of this Act shall not apply. 25

[1918, s. 5
(1); 1927,
s. 38 (2).]

(3) For the purpose of sur-tax for any year of charge the total income of an individual shall be computed in manner provided in section 4, but shall, in the cases mentioned in sub-paragraph (3) of paragraph 5 of the Second Schedule to this Act, and in sections 144, 145, 146, and 149, be subject to such adjustments as are directed in those provisions, and in relation to sur-tax references in this Act to total income shall be construed as references to total income so computed, subject to such adjustments as aforesaid. 35

[1918, s. 18;
1927, s. 42
(4).]

(4) Where an assessment of any income for the purpose of standard tax has under the provisions of

this Act become conclusive for any year, the assessment shall also be conclusive for computing total income for the purpose of sur-tax for that year, and no adjustment of liability shall be taken into account in computing
 5 total income for that purpose, unless that adjustment has been previously made for the purpose of standard tax.

PART V.
 —cont.

136.—(1) It shall be the duty of every individual who for any year of charge is chargeable with sur-tax
 10 to give to the Special Commissioners, before the thirtieth day of September next following the end of that year, notice that he is so chargeable.

Notices and returns as to sur-tax. [1927, s. 44 (1).]

(2) The Special Commissioners may, whether an assessment of income for the purposes of sur-tax has
 15 been made or not, require any individual who has been required under section 248 to make a return as to his income from all sources to furnish to them, within such time (not being less than twenty-eight days) as they may fix, such particulars as to the several sources of his income
 20 and the amount arising from each source, and as to the nature and the amount of any deductions claimed to be allowed therefrom, as they consider necessary.

[1922, s. 22; 1930, s. 13 (4).]

137.—(1) An individual who for any year of charge is chargeable with sur-tax may, by giving notice in
 25 writing to the Special Commissioners of his desire so to do, elect to make a return of his total income to those Commissioners.

Option of making return to Special Commissioners.

(2) Any such election shall be made not later than the first day of May next following the end of the year of
 30 charge, and shall have effect not only as respects that year of charge but also as respects all subsequent years for which he remains chargeable with sur-tax :

[1928, s. 17.]

Provided that any individual who has so elected may at any time in any subsequent year of charge
 35 give notice in writing to the Special Commissioners of his desire to revoke the election, and thereupon the election shall cease to have effect except as respects any year preceding the year in which the revoking notice is given.

PART V.
—cont.

(3) Where for any year of charge an election made by an individual under this section is in force—

- (a) the Special Commissioners may serve upon that individual a notice requiring him to make a return of his total income, and that individual shall make a return in the form and within the time required by the notice; and 5
- (b) the return required to be made by that individual under section 248 may be limited to a return of income of Class D and income assessable in like manner as income of Class D, and income of Class E, Class F and Class N. 10

Powers of Special Commissioners in default of returns.

[1927, s. 44
(2) & (3).]

138.—(1) In any case in which it appears to the Special Commissioners that the particulars contained in any return made by any person, whether acting on his own behalf or in a fiduciary capacity, are insufficient to enable them to assess the total income of any individual for the purposes of sur-tax, or that any person has failed to make a return, the Special Commissioners may serve upon him a notice requiring him to deliver a return of the income from all sources of the individual. 20

[*Longford v. C.I.R.*,
[1928]
A.C. 252;
13 T.C., 573;
Brooke v. C.I.R.,
(1917) 118
L.T. 321;
7 T.C. 261.]

(2) Every person so required, whether he is chargeable with sur-tax or not—

- (a) if acting on his own behalf, shall; and 25
- (b) if acting in a fiduciary capacity, shall to the best of his knowledge and information, deliver such a return in the form and within the time directed by the notice. 30

Assessment of income for purposes of sur-tax, and charge of sur-tax.
[1927,
s. 42 (2).]

139.—(1) For the purposes of sur-tax, the assessment shall be made by the Special Commissioners, and the income to be assessed shall be the total income. 30

(2) Sur-tax shall be charged by the Special Commissioners in one sum in respect of the excess referred to in subsection (1) of section 135. 35

(3) For the purpose of making such assessments and charges the Special Commissioners shall examine the returns, including the returns made available to them

under subsection (4) of section 256, and, subject to the provisions of subsection (4) of section 135, shall—

PART V.
—cont.

- (a) if satisfied with the return, make an assessment in accordance therewith;
- 5 (b) in any other case, make an assessment to the best of their judgment,

[1927, ss. 42
(7) and 44
(3).]

and shall determine the amount of sur-tax to be charged in consequence of the assessment and shall allow and sign the assessment and charge so made.

- 10 (4) On any such assessment and charge being allowed and signed, notice in writing thereof shall be given to the person chargeable, and the notice shall give particulars of the assessment and charge and shall state the right of appeal conferred by this section, and the time within
- 15 which notice of appeal must be given.

- (5) If the person chargeable is aggrieved by an assessment or charge so allowed he shall be entitled to appeal, in manner provided by Part VIII of this Act, on giving notice in writing to the Special Commissioners
- 20 within twenty-one days of the date of the notice of assessment and charge:

- Provided that for the purpose of the representation of the Crown on any such appeal any person nominated in that behalf by the Board shall have the same rights
- 25 at, and upon the determination of, the appeal as the inspector has at, or upon the determination of, any appeal relating to standard tax.

- (6) If as respects any year of charge the Special Commissioners come to the conclusion that, in the case
- 30 of any individual, any sur-tax which ought to have been charged has not been charged, they may make an additional assessment and charge, subject to the like right of appeal as in the case of an original assessment and charge.

[1927,
s. 42 (3).]

- 35 (7) No assessment or additional assessment for the purposes of sur-tax shall be allowed and signed after the expiration of six years from the end of the year of charge for which it is made.

- 140.—(1) Sur-tax shall become payable on the first day of January next after the year of charge for which it is payable, except that where an assessment

Payment
and
recovery
of sur-tax.

[1927, s. 42
(1).]

PART V.
—cont.

of any income for the purposes of sur-tax is signed and allowed after the said first day of January the sur-tax charged in consequence of that assessment shall be payable on the day next after the day on which the assessment is signed and allowed.

5

[1927,
s. 42 (7).]

(2) Sur-tax shall be paid to the proper officer, and in default of payment may be recovered in manner provided by section 314.

Repayments
of sur-tax.
[New.]

141. Where in consequence of an adjustment of liability to sur-tax a repayment is required, such repayment shall, on a claim being made for the purpose, be made.

10

Power of
Board
to make
regulations.
[1927, s. 42
(8).]

142. The Board may make regulations for the purpose of carrying into effect the provisions of this Part of this Act, and any regulations so made shall be laid before Parliament.

15

Provisions as to privately controlled companies and adjustment of total income of members thereof.

Provisions
as to
privately
controlled
companies
and adjust-
ment of
total income
of members
thereof.
[1922, s. 21;
1927, s. 31.]

143.—(1) With a view to preventing the avoidance of the payment of sur-tax through the withholding from distribution of income of a company which would otherwise be distributed, the provisions set forth in the Second Schedule to this Act shall have effect.

(2) Where by virtue of the provisions of that Schedule an adjustment is made of the total income for sur-tax purposes of a member of a company for any year of charge, and that member is an individual and is, or by reason of such adjustment becomes, chargeable with sur-tax, sur-tax shall be charged in respect of the amount by which in consequence of the adjustment his total income is increased, or is increased above the stated amount, in accordance with the following provisions:—

30

(a) the amount chargeable shall, instead of being charged directly on the member, be charged on the company on behalf of the member :

35

(b) notice of the charge shall be served on the member, and if the member, within twenty-eight days of the service of the notice on him,

elects to pay the tax so charged, the tax shall be recoverable from him as if he had been the person charged : PART V.
—cont.

- 5 (c) if the member who has so elected does not pay the tax before the expiration of twenty-eight days from the date when he has so elected, or before the second day of January following the year of charge (whichever is the later), the tax shall also be recoverable from the company :
- 10 (d) if the member does not so elect, a notice of charge shall be served on the company and the tax shall be recoverable from the company.

Other adjustments of total income.

15 144.—(1) Where any sales, purchases or transfers of, or dealings in, or contracts, arrangements or other transactions in relation to, any stocks, shares or securities to which this section applies have been effected by or on behalf of any individual, and the individual as a result of any such transactions has avoided or would avoid more than ten per cent. of the sur-tax for any year which would have been payable in his case if— Adjustment of total income for sur-tax purposes in case of sales cum dividend, etc.

20 (a) the income from those stocks, shares and securities had been deemed to accrue from day to day and to have been apportioned accordingly ; and [1927, s. 33 (3).]

25 and

(b) the income so deemed to be apportioned to him had been treated as part of his total income,

then, for purposes of sur-tax, his total income shall be adjusted in manner provided by the next succeeding [1927, s. 33 (4).]

30 subsection.

(2) In making the assessment for the purpose of sur-tax in the case of the individual for such year as aforesaid, the income from all such stocks, shares and securities shall be deemed to have accrued from day to day, and to have been apportioned accordingly, and in the case of the sale or transfer of any such stocks, shares or securities, shall be deemed to have been received as and when it is deemed to have accrued, and the amount

PART V. of his total income for the purposes of sur-tax shall be
 —*cont.* adjusted accordingly :

Provided that an individual shall not be liable to be charged with sur-tax under this section in respect of any such income if it is proved that the avoidance 5 of sur-tax was exceptional and not systematic, and that there was not in his case in any of the three last preceding years any such avoidance of sur-tax as is described in the provisions of the last preceding subsection.

[1927, s. 33
 (1).]

(3) Any individual, if required so to do by a notice 10 served upon him by the Special Commissioners shall, within the time (not being less than twenty-eight days) limited by the notice deliver a return in the prescribed form containing a statement of and particulars relating to any stocks, shares or securities to which this section 15 applies—

(a) in which, at any time during the period specified in the notice, he has had any beneficial interest; and

(b) in respect of which, within that period, either 20 no income was received by him, or the income received by him was less than the sum to which the income would have amounted, if the income therefrom had accrued from day to day and been apportioned accordingly, 25

and such return shall be delivered whether an assessment of his income for the purposes of sur-tax has or has not been made for the relevant year or years of charge.

[1927, s. 33
 (2).]

(4) The Special Commissioners may serve further 30 notices whenever they consider it necessary for the purposes of this section until complete particulars have been furnished to their satisfaction.

[1927, s. 33
 (5).]

(5) If any individual fails to furnish any return required under this section, or if the Special Commis- 35 sioners are not satisfied with any statement or particulars in a return furnished under this section, they may make an estimate of the amount of the income which, under the foregoing provisions of this section, is to be deemed to form part of his total income for the purposes of sur-tax. 40

(6) The stocks, shares and securities to which this section applies are— PART V.
—cont.

5 (a) stocks or securities entitling the holder to interest or dividend at a fixed rate only, not being stocks or securities the interest or dividend on which is dependent on the earnings of a company; and [1927, s. 33
(7).]

10 (b) any other stocks or securities and any shares, if the transactions in relation thereto have been effected by the individual otherwise than through a stock exchange in the United Kingdom and otherwise than by a transfer on which duty has been paid under the heading "Conveyance or Transfer on Sale" in the First Schedule to the Stamp Act, 1891.

54 & 55
Vic., c. 39.

15 145.—(1) If, on an application being made for the purpose by any individual for any year, it is proved that, in consequence of the sale or transfer to the applicant of any assets, the amount of sur-tax payable by him for that year exceeds by more than ten per cent. the amount of the sur-tax which would have been payable by him for that year if the income from those assets and from any assets sold or transferred by him were deemed to have accrued from day to day and to have been apportioned accordingly, then, in making the assessment for the purposes of sur-tax in the case of that individual for that year, the income from all such assets as aforesaid shall be deemed to have accrued from day to day and to have been received as and when it is deemed to have accrued, and the amount of his total income for purposes of sur-tax shall be adjusted accordingly. Adjustment of liability to sur-tax in case of purchases cum dividend.
[1927, s. 35.]

(2) An application under this section must be made before the expiration of the time limited for appealing against the assessment for the purposes of sur-tax of the individual's total income for the year in question.

35 146.—(1) If, on an application being made for the purpose by any individual for any year, it is proved— Relief from sur-tax where income attributable to a period exceeding a

40 (a) that, as respects any assets, in consequence of the operation of the provisions of this Act which require that, for purposes of computation of total income, income from which tax is

PART V.
—cont.
year is
received in
a year.
[1927, s. 34.]

deductible at the standard rate for any year is to be treated as income of that year, the income from those assets, as estimated for the purposes of sur-tax for that year, represents more than the income which would be attributable to a 5 period of one full year had the income accrued from day to day and been received as and when it so accrued; and

- (b) that, in consequence, the amount of sur-tax payable by him for that year exceeds by more 10 than five per cent. the amount of the sur-tax which would have been payable by him for that year if the amount of his income from those assets had not exceeded the amount which would be attributable to a period of one full year 15 had the income so accrued and been received;

he shall be charged with sur-tax, or his liability to sur-tax shall be adjusted, for that year and any succeeding year so as to give such relief as may be just, having regard to all the circumstances and in particular to the amount of any liability or additional liability to sur-tax which would have arisen for any preceding year or years if— 20

- (i) the income from such assets as aforesaid had accrued from day to day and had been apportioned accordingly; and 25
- (ii) the income which would have been so apportioned to any year had been treated as part of his total income for the purposes of sur-tax for that year.

(2) An application under this section must be made 30 before the expiration of the time limited for appealing against the assessment for the purposes of sur-tax of the individual's total income for the year in question.

Supple-
mental
provisions.
[1927, s. 36
(1).]

147. For the purposes of the last three preceding sections, any income which under any of the provisions 35 of those sections is deemed to have accrued from day to day, or which is to be computed as if it were income that accrued from day to day, shall—

- (a) if payable in respect of any stated period, be deemed to have accrued from day to day during 40 that period; and

- (b) if not payable in respect of any stated period, be deemed to have accrued from day to day during the period of twelve months next preceding the date on which that income was declared to be payable, or during the period between the last previous declaration of a dividend (not being a dividend expressed to be an interim dividend in respect of a stated period), payment of interest, or other yield or produce of such asset, and the date aforesaid, whichever period is less.

PART V.
—cont.

148. For the purposes of the two next succeeding sections—

Definitions of terms in next two succeeding sections. [1930, s. 13 (5).]

- (a) the expression "contract of assurance" means a contract of assurance or a contract similar in character to a contract of assurance, being in either case a contract under which a capital sum is expressed to be payable in the future in return for one or more antecedent payments, and the expression "premium" means any such antecedent payment;
- (b) the expression "interest" includes any sum payable in respect of any borrowed money;
- (c) any reference to borrowed money applied to or towards any payment shall be deemed to include a reference to borrowed money applied directly or indirectly to or towards the replacement of any money so applied;
- (d) any reference to a capital sum payable on death under a contract of assurance shall be construed as a reference to the actual capital sum assured on death, exclusive of any addition which has arisen or may arise from any bonus, share of profits, return of premiums or otherwise, and in the case of a contract under which different capital sums are payable on death in different events, as a reference to the least of those sums.

149.—(1) Subject to the provisions of the next succeeding section, in computing for the purposes of sur-tax the total income for any year of an individual who has entered into a contract of assurance, no deduction shall be allowed in respect of any interest on any

Interest on loans used for payment of premiums, etc., not to be

PART V.
—*cont.*
allowed as
deduction
for sur-tax
purposes.
[1930, s. 13
(1) & (2).]

borrowed money which has been applied directly or indirectly to or towards the payment of any premium under that contract, or of any sum paid in lieu of any such premium.

(2) Where the benefit of a contract of assurance entered into by any person has become vested in another person, being an individual, subsection (1) of this section shall apply in relation to that individual—

- (a) as if the contract had been a contract entered into by him; and 10
- (b) in a case where the benefit of the contract became vested in him by virtue of an assignment, and any payment was made by him in consideration of the assignment, as if that payment were the payment of a premium under the contract; and 15
- (c) in a case where, either as being the person in whom the said benefit is vested, or by reason of any agreement under or in pursuance of which the said benefit became vested in him, he pays any interest on any borrowed money, as if that money had been applied to the payment of a premium under the contract. 20

Exceptions
to the last
preceding
section.

[1930, s. 13
(3).]

150. The last preceding section shall not, where the interest is payable at a rate not exceeding ten per cent. per annum, apply to— 25

- (a) interest on borrowed money applied to or towards the payment of any premium under a contract of assurance entered into before the fifteenth day of April, nineteen hundred and thirty, which assures a fixed capital sum payable either— 30
 - (i) on death only; or
 - (ii) on the expiration of a period of not less than ten years from the date of the commencement of the contract or on earlier death; 35
- (b) interest on money borrowed before the sixth day of April, nineteen hundred and twenty-nine, unless—
 - (i) the money was borrowed from an assurance company; and 40

- (ii) the repayment thereof was secured on a contract of assurance; and
- (iii) the premium in question was a premium under that contract;
- 5 (c) interest on money borrowed mainly on the security of property other than a contract of assurance, if the premium in question either—
- (i) is payable under a contract of assurance entered into in order to provide against the failure of a contingent interest in any property and to serve as additional security for the loan, and for no other purpose; or
- 10 (ii) is the first of a series of premiums payable under a contract of assurance entered into solely in order to provide for the repayment of the money borrowed, and does not exceed ten per cent. of the sum assured under that contract;
- 15 (d) interest on borrowed money applied to or towards the payment of premiums under a contract of assurance which assures throughout the term of the contract a capital sum payable on death, if neither the amount of the first premium under the contract nor the amount
- 20 subsequently payable by way of premiums thereunder in respect of any period of twelve months exceeds one-eighth of the capital sum payable on death;
- 25 (e) interest on borrowed money applied to or towards the payment of premiums (not being premiums such as those specified in the preceding paragraphs of this section) each of which is one of a series of equal premiums payable at equal intervals of not more than
- 30 one year, except so far as such interest exceeds in the year of charge one hundred pounds in all.
- 35

PART VI.

PROVISIONS APPLICABLE TO SPECIAL CLASSES OF PERSONS AND MATTERS.

- 40 **151.** The provisions of this Part of this Act shall apply to persons and matters of the classes and descriptions mentioned therein, but, except so far as modified by the provisions of this Part of this Act, the other
- Application
of Part VI.

PART VI. provisions of this Act shall have effect and shall apply as
—cont. respects such persons and matters.

Partnerships.

Method of
charging
partner-
ships.
[1918,
Sch. D,
Cases I & II,
r. 10
(extended to
other
income).]

152.—(1) In respect of income arising from any
business carried on by two or more persons in partnership, 5
and in respect of income arising from any other source
and belonging to a partnership, the partnership shall be
treated as the person chargeable, and accordingly the
income in each case shall be assessed in one sum.

(2) Tax in respect of any such income shall be 10
charged in the partnership name; and such charge shall
have effect as a charge on each and all of the partners:

Provided that if there is no partnership name the
charge may be made in the joint names of the several 15
partners or of such of them as are known, and such
charge shall have effect as if it had been made in the
partnership name.

Returns of
partnership
profits.
[1918,
Sch. D,
Cases I & II,
r. 10.]

153.—(1) The return of the income of a partnership
shall be made by the precedent partner on behalf of 20
himself and the other partners, and shall contain a
statement of the names and places of residence of
himself and of the other partners.

For the purpose of this section the precedent partner
shall be the partner who, being resident in the United 25
Kingdom and an acting partner,—

(i) is the first named in the agreement of partner-
ship, or, if there be no agreement, is named singly
or with precedence to the other partners in the
usual name of the partnership;

(ii) if there is no such partner as is mentioned in 30
paragraph (i), is the partner whose name appears
first in the list of partners registered in accord-
ance with the Registration of Business Names
Act, 1916;

(iii) in any case which falls neither within para- 35
graph (i) nor paragraph (ii), is the partner who
usually acts with precedence in the conduct of
the partnership.

(2) The Commissioners may, if they think fit, require
from any partner the like return as that which the pre- 40
cedent partner is required to make.

(3) Where no partner is resident in the United
Kingdom the return shall be made and delivered by the

6 & 7 Geo. 5,
c. 58.

agent or manager of the partnership resident in the United Kingdom. PART VI.
—cont.

15 **154.** Where any business is carried on in partnership, that business shall not be deemed to be controlled in the United Kingdom by reason only that one or more of the partners is or are resident in the United Kingdom. Partnerships controlled abroad. [1918, Sch. D, Cases I & II, r. 12.]

10 **155.** In determining, for the purposes of the provisions of this Act relating to total income and to claims for allowances to individuals, the income for any year of charge of a partner in a partnership, the following provisions shall have effect:— Shares of individual partners in partnership profits. [1918, s. 20 (part).]

15 (a) any income of the partnership shall be apportioned amongst the partners in accordance with their respective shares in the partnership profits for that year;

20 (b) the amount of the income to be so apportioned shall be the amount as assessed for that year of the income in respect of which the partnership is directly chargeable with standard tax, together with the amount of the income in respect of which the partnership has borne or is liable to bear, by deduction or otherwise than by direct charge, tax at the standard rate for that year, so far in either case as the tax is ultimately to be borne by the partnership;

25 (c) the amount apportioned to any partner under the foregoing provisions shall for the purposes aforesaid be treated as his income.

30 **156.—(1)** Where a person has sustained a loss in a business carried on by him in partnership, then, for the purposes of section 96— Shares of individual partners in partnership losses. [1918, s. 20 (part); 1926, s. 33 (2); 1927, s. 27 (2).]

35 (a) the loss which may be carried forward by him shall be such share of the loss sustained by the partnership as is apportionable to him in accordance with any agreement regulating the proportions in which the partners are respectively to share any loss;

40 (b) the amount against which the loss so carried forward by him may be set off shall be the share, apportioned to him in manner provided by the last preceding section, of the amount in respect of which the partnership is, or, but for section 96 would be, liable to be charged for any of the six years therein mentioned.

PART VI.
—cont.

(2) Where a person has sustained a loss in a business or transaction carried on by him in partnership, then for the purposes of sections 94, 95 and 100 the loss sustained by the partner shall be calculated in the same manner as the loss which might be carried forward by him under section 96. 5

(3) The amount against which a loss carried forward by any person under section 100 may be set off shall, if such other transaction as is mentioned in that section is a transaction in which he was engaged as a partner in a partnership, be the share apportioned to him in manner provided by the last preceding section of the amount in respect of which the partnership is, or but for section 100 would be, liable to be charged for any of the six years therein mentioned. 15

Changes in partnerships.
[1918, Sch. D, Cases I & II, r. 11 (1); 1926, s. 32 (1).]

157.—(1) If there is a change in the persons engaged in carrying on a business, either—

(a) by reason that the person who has been carrying on the business on his own account commences to carry on the business in partnership with other persons; or 20

(b) in the case of a business carried on by a partnership by reason that—

(i) one or more of the partners retire or die; or 25

(ii) one or more new partners are admitted; or

(iii) the partnership is dissolved, but one or more of the partners continue to carry on the business as a partner or partners in a partnership, or one of them continues to carry it on as an individual, 30

the income from the business shall be computed as if there had been no change in the persons engaged in carrying it on: 35

Provided that, where all the persons who were carrying on the business immediately before and all the persons who were carrying it on immediately after the change concur in requiring that for all years of charge the income shall be assessed and tax charged as if the business had permanently ceased at the date of the change and a new business had then commenced, then, upon such notice 40

as is hereinafter mentioned being given, the income shall be assessed and tax charged as if such cessation and commencement had actually taken place. PART VI.
—cont.

Such notice as aforesaid must be a notice signed by all such persons as aforesaid, or if any of them has died, by his personal representatives, and sent to the inspector within twelve months after the change took place. [1930, s. 16.]

(2) Where on such a change as is referred to in subsection (1) of this section the notice mentioned in the proviso to that subsection is not given, and the change has occurred during the second or third year within the meaning of section 57, the provisions of that section shall apply subject to the conditions:— [1930, s. 15
(3).]

(a) that, in the case of a notice given under paragraph (d) of section 57 within twelve months after the end of the second year, the notice must be signed by each of the persons who were carrying on the business at any time between the commencement of the second year and the giving of the notice, or in the case of a deceased person by his personal representatives; and [1930, s. 15.]

(b) that, in the case of a notice so given after the end of the third year, the notice must be signed by each of the persons who were carrying on the business at any time during the second or third year, or in the case of a deceased person by his personal representatives.

(3)—(a) In the case of any such change as is mentioned in subsection (1) of this section, if the notice mentioned in the proviso thereto is not given within the time therein limited, the inspector shall certify to the Commissioners the names and addresses of the person or partners carrying on the business before and the person or partners carrying it on after the change and the date of the change, if and so far as known to the inspector. [1918,
Sch. D,
Cases I & II,
r. 9.]

(b) On receipt of the certificate the Commissioners shall cause notice to be given to all parties concerned of a meeting of the Commissioners to consider it, and after examination of the said parties, if they attend, or on other satisfactory proof of the facts, the Commissioners shall make a fair apportionment of the tax chargeable

PART VI. between the person or partnership carrying on the
 —cont. business before, and the person or partnership carrying
 it on after, the change.

(c) The determination of the Commissioners shall be final, and the sum apportioned to each such person or 5
 partnership shall be recoverable from him or them in like
 manner as if he or they had been originally charged
 therewith.

(d) If any of the parties has paid more than the
 sum with which by the determination of the Commis- 10
 sioners he is chargeable, the amount overpaid shall,
 when recovered from the party liable, be paid to the
 party by whom the overpayment was made.

[1926, s. 32.] (4) In any case not falling within subsection (1) of
 this section, section 59 shall apply as if the expression 15
 "person" therein included a partnership.

Other joint interests.

Other joint
 interests.

[1918, s. 20;
 Sch. D,
 Cases I & II,
 r. 10.]

158.—(1) Where two or more persons—

(a) are associated as joint adventurers, or other-
 wise than as partners, in carrying on any 20
 business or transaction; or

(b) are jointly interested otherwise than as part-
 ners in any land or other source of income,

and the circumstances in either case are such that if an
 individual had been carrying on the business or trans- 25
 action or had been entitled to the interest he would have
 been directly chargeable with tax in respect of the
 income arising from the business or transaction or attri-
 butable to such source, then the income so arising or
 attributable shall be assessed in one sum, and tax in 30
 respect thereof shall be charged on the persons so asso-
 ciated or interested in their joint names or in the names
 of such of them as are known, and in the latter case
 the charge shall have effect as if made in the names of
 all such persons. 35

(2) In any such case any person so associated or
 interested may be required to make the like return
 as the precedent partner is, in the case of a partnership,
 required to make under section 153.

(3) The provisions of sections 94, 95, 96, 99 and 100 40
 shall apply to persons so associated as aforesaid in like

manner as they apply to persons carrying on a business or transaction in partnership. PART VI.
—cont.

(4) For the purposes of the provisions of this Act relating to total income and to claims for allowances to individuals, the income so assessed (so far as tax in respect thereof is ultimately to be borne by the persons charged) shall be apportioned amongst the several persons associated or interested according to their respective shares or interests for the year of computation, and the amount so apportioned to any person shall for the purposes aforesaid be treated as his income.

(5) For the purposes of this section "transaction" means a transaction of such a nature that any profits arising therefrom are income of Class K.

15 *Husband and wife.*

159.—(1) Any income of a married woman living with her husband shall for the purposes of assessment, charge, collection, computation of total income, and reliefs be treated as if it were income of her husband: Liability of
husband in
respect of
income of
wife.

20 Provided that, if as respects any income of the married woman, the residence of the person entitled to the income is material for determining the question whether or not that income is income in respect of which tax is chargeable, or the nationality and residence of the person entitled to the income is material for determining the amount of the assessable income, the question shall be determined by reference to the residence, or the nationality and residence, of the married woman, and not of the husband. [Based on
1918, Gen.
r. 16.]

30 (2) The last preceding subsection shall not apply—

(i) if an application under the next following section is in force, in which case the provisions of section 161 shall apply; or,

35 (ii) if one of the spouses is resident in the United Kingdom in the year of charge, and the other is not so resident, in which case each spouse shall be charged, and entitled to relief, as if he or she were unmarried, and the resident shall be chargeable in respect of any remittances (not being remittances of a capital nature) from property outside the United Kingdom made to the resident by the non-

PART VI.
—cont.

resident as if the remittances were income of Class O, other than income from discounting transactions :

Provided that, where the resident wholly maintains the non-resident, he or she shall be 5 entitled to the personal allowance for married persons under section 81, but in such a case the non-resident shall not be entitled to any personal allowance by virtue of section 173.

(3) Where a married woman is not living with her 10 husband, each spouse shall for all the purposes of this Act be treated as if he or she were unmarried.

(4) For the purposes of this section :

(a) a married woman shall be treated as living 15 with her husband unless—

(i) they are separated under an order of a court of competent jurisdiction or by deed of separation; or

(ii) they are in fact separated in such 20 circumstances that the separation is likely to be permanent.

(b) the expression “remittances” includes any sums or credits provided for the use or benefit of the resident.

(5) As regards the year of charge in which the 25 marriage takes place or is dissolved, or in which the spouses cease to be living together within the meaning of this section, the income of the wife shall be apportioned, so that only the income arising in that part of the year during which she is a married woman living 30 with her husband shall for the purposes mentioned in subsection (1) of this section be treated as if it were income of the husband.

Right to apply for separate charges on husband and wife. [1918, Gen. r. 17 (*part*); 1919, s. 26; 1930, s. 22.]

160.—(1) An application for separate charges on a 35 husband and a wife—

(a) may be made by the husband or by the wife;

(b) must be made in the prescribed manner and form;

(c) must be made within twelve months before the 40 sixth day of July in the first year of charge as regards which it is to have effect, or if the marriage takes place in the course of that year,

at some time between the date of the marriage and the sixth day of July in the next subsequent year of charge; PART VI.
—cont.

5 (d) shall have effect not only as respects such first year but also as respects all subsequent years of charge up to the year as regards which a notice of withdrawal is given in manner hereinafter provided.

(2) A notice of withdrawal of an application—

10 (a) must be given by the party by whom the application was made;

(b) must be given in the prescribed manner and form;

15 (c) must be given within twelve months before the sixth day of July in the year of charge as regards which it is to take effect.

161.—(1) Whilst any such application is in force the income of the husband and of the wife shall be assessed, and standard tax charged in respect thereof, and reliefs given, as if they were not married, subject however to the following provisions :— Effect of application for separate charges.
[1918, Gen. r. 17

(a) The income of the husband and of the wife shall be aggregated for the purpose of determining the amount of the allowances to individuals, and that amount shall not exceed the amount which would have been granted had no such application been made. (part);
1925, s. 15
(3) proviso;
1927, s. 46
& 5th Sch.
Part II.]

(b) The benefit of any allowances shall be given—

30 (i) as regards an earned income allowance, to the husband and the wife in proportion to the amounts of their respective earned incomes;

(ii) as regards an old age allowance, to the husband and the wife in proportion to the amounts of their respective total incomes;

35 (iii) as regards a dependent relative allowance, or a children allowance in respect of a child other than a son, daughter, step-son or step-daughter, or an infirm person's allowance, to the spouse by whom the relative or child is maintained, or who is the infirm person;

40

PART VI.
—cont.

(iv) as regards an allowance in respect of a premium or other sum under section 90, to that one of the spouses by whom the premium or sum is paid or deduction suffered ;

(v) as regards any other allowance, to the husband and wife in proportion to the amounts of tax which would have been borne by them respectively if there had been no other allowance due than the earned income and old age allowances : 10

[New.]

Provided that where, in the case of either spouse, owing to the insufficiency of income in respect of which that spouse is liable to bear tax, the benefit of allowances to which that spouse is entitled under the foregoing provisions cannot be given in full to that spouse, the balance of the benefit shall be given to the other spouse. 15

[1920,
s. 25 (1) (d).]

(c) For the purpose of any such allowance a return may be made by the husband or the wife as to the total income of the husband and the wife; but if the Board are not satisfied with the return, they may obtain a return from the wife or the husband as the case may be. 20

[1920,
s. 25 (2).]

(d) The Board may require returns for the purpose of this section to be made at any time. 25

[1918,
s. 171.]

(2) Where, under the provisions of this section, tax has been charged in respect of the income of the wife as if she was not married, the power to distrain in the case of non-payment of any tax payable by her shall extend to the goods and chattels of the husband as well as to the goods and chattels of the wife : 30

Provided that no distraint shall be so made on the goods and chattels of the husband unless a written demand for payment has first been served on the husband and he has failed to pay the amount of tax payable by his wife within seven days of such demand. 35

(3) Subject as aforesaid the amount charged on the husband and wife respectively shall be recoverable as if they were not married. 40

162. The provisions of the last two preceding sections shall apply to sur-tax, save that—

- PART VI.
—cont.
Application of last two preceding sections to sur-tax.
[1927, s. 42 (9); 1930, s. 22.]
- 5 (a) an application or the withdrawal of an application must be made within twelve months before the sixth day of July in the year next following the first year of charge as regards which it is to have effect;
- 10 (b) while the application is in force, the amount of sur-tax charged shall be computed according to the aggregate total income of the husband and the wife, but shall be divided between them in proportion to the amounts of their respective total incomes, and the total amount payable shall not be less than it would have been if no such application had been made;
- 15 (c) the provisions of section 161 relating to allowances and to distraint shall not apply;
- 20 (d) the Special Commissioners may require returns for the purpose of this section to be made at any time.

Infants and persons of unsound mind.

163.—(1) The guardian, tutor, or curator having the direction, control or management of any income of an infant may be charged with standard tax in respect of that income.

(2) The committee, receiver, or curator bonis of a person of unsound mind may be charged with tax in respect of that person's income, or, where there is more than one committee, receiver or curator bonis, any such committee, receiver or curator bonis may be so charged.

(3) Nothing in this section shall affect the liability of an infant or person of unsound mind to be himself charged in his own name.

(4) A person who may be charged with tax in respect of any income of an infant or person of unsound mind shall be responsible for making returns in manner provided by Part VII of this Act and for all other matters required to be done under this Act for the purposes of the assessment of income and the charge and payment of tax.

PART VI.
—cont.
[1918, s. 161
(1) (a).]

(5) If an infant or person of unsound mind is charged with tax in his own name, his guardian, tutor, or curator, or committee, receiver or curator bonis, as the case may be, shall, in default of payment of the tax by the infant or person of unsound mind, be liable therefor to the extent of the property of the infant or person of unsound mind of which he has the direction, control or management, and may be proceeded against accordingly as if he had been the person charged with tax. 5

[1918, Gen.
r. 14.]

(6) Any person who has been duly charged with tax in respect of any income of, or who has lawfully paid tax on behalf of, an infant or person of unsound mind may raise and retain out of the property from time to time coming into his hands on behalf of the infant or person of unsound mind such sum as is sufficient to pay the tax charged, and shall be acquitted and discharged of so much as is equal to any tax so paid, and if and so far as such property is insufficient shall be entitled to be indemnified for any amount so paid. 10 15

Trustees and personal representatives. 20

Liability to
tax in
respect of
trust
property.
[New.]

164.—(1) Trustees may be charged with standard tax in respect of any income which is payable to them or which is derived from property vested in them in any case where under Part II of this Act the person chargeable is the person entitled to the income; but if and so far as the trustees have not been charged in respect of any such income, the person beneficially entitled thereto shall be chargeable. 25

(2) Where any person is beneficially entitled to income which is payable to trustees or which is derived from property vested in trustees, and the residence of the person entitled to the income is material for determining the question whether or not that income is income in respect of which tax is chargeable, or the domicile or nationality and residence of the person entitled to the income is material for determining the amount of the assessable income, that question shall be determined with reference to the residence or domicile or nationality and residence (as the case may be) of the person so beneficially entitled. 35 40

(3) A trustee who has lawfully paid any sum by way of tax in respect of any income may raise and retain out of any property from time to time coming into his hands

on behalf of the person beneficially entitled to the income such sum as is sufficient to pay the tax charged, and shall be acquitted and discharged of so much as is equal to any tax so paid, and if and so far as such property is
5 insufficient shall be entitled to be indemnified for any amount so paid.

(4) A trustee shall be responsible for making returns in manner provided by section 249.

10 165.—(1) The provisions of this section shall have effect in relation to sur-tax due from any person (in this section referred to as "the beneficiary") to whom, or for whose benefit, any income or any capital may in the discretion of some other person be paid or applied under a trust.

PART VI.
—cont.
Recovery of sur-tax due from beneficiary under discretionary trust.

[1933, s. 34.]

15 (2) If any amount of sur-tax charged in respect of the income of the beneficiary is not paid before the expiration of six months from the date when it became payable, the Special Commissioners may at any time thereafter, so long as that amount remains unpaid, cause
20 to be served on the trustees of the trust a notice in writing that that amount remains unpaid.

(3) Where such a notice is served on the trustees of the trust, it shall be the duty of the trustees, as soon as
25 may be, and if necessary from time to time, to pay the Board in or towards satisfaction of the said sur-tax from time to time remaining unpaid any income or capital which, by virtue of any exercise of the discretion under the trust, the beneficiary may become entitled to receive or to have applied for his benefit.

30 (4) Any payments made out of income by trustees in pursuance of a notice under this section shall be deemed for all the purposes of this Act to represent income paid to the beneficiary.

35 (5) Any sum which the trustees are liable to pay by virtue of the provisions of this section shall be recoverable from them as a debt due to the Crown.

40 166.—(1) When an individual dies, then as respects income arising before his death all rights and duties which would have attached to him, and any liability to be charged with or to pay tax to which he would have been subject under this Act if he had not died, shall pass to his personal representative, and the amount of any tax

Liability of personal representatives to tax in respect of estate of deceased.

—cont.

[1918, s. 161

(1) (b), (2) &
(3); Gen.r. 18; 1926,
s. 34 (4);1930, s. 15
(4).]

[1923, s. 29

(3).]

[1930, s. 26.]

[1926, ss. 31

(2) & 32 (1);

1927, s. 45

(6).]

payable by the personal representative under this subsection shall be a debt due from and payable out of the estate of the deceased:

Provided that—

(a) an assessment or an additional assessment 5
of any such income, or a charge or additional
charge under subsection (2) of section 278
in respect of any such income, or a charge
under section 279 in respect of an over-repay- 10
ment of tax to the individual, shall not be
made later than the end of the third year of
charge following that in which the individual
died ;

(b) the amount of sur-tax payable in respect of 15
the total income of the individual for the
year of charge in which he died shall not
exceed the amount of sur-tax which would
have been payable if tax had been chargeable
for that year at the same rates as for the
preceding year; 20

(c) where, by reason of the death of the individual—

(i) a business carried on by him ceases
and consequently section 58 applies to the
case; or

(ii) there is a succession to a business 25
carried on by him, and consequently section
58 is, by section 59, applied to the case; or

(iii) there is a change in the persons
engaged in the carrying on of a business
previously carried on by him in partnership, 30
and section 58 is, in consequence of notice
given under the proviso to subsection (1)
of section 157, applied to the case; or

(iv) any income ceases to be his income,
and consequently section 61 applies to the 35
case,

the personal representatives of the individual
shall be liable for the tax for which he would,
in pursuance of the sections so applicable or
applied, have been liable if he had not died, 40
and the cessation, succession or change had
taken place at the date of his death.

(2) When an individual dies, then as respects
income arising in the period commencing at his death

which is payable to or derived from property vested in his personal representative, the provisions of section 164 shall apply as if the expression "trustee" included a personal representative.

PART VI.
—cont.

- 5 (3) All adjustments and repayments of tax rendered necessary by the provisions of subsection (1) of this section shall be made.

Non-residents (Agency).

10 167.—(1) Where a non-resident person is liable to tax in respect of any income, and has an agent in the United Kingdom, the agent shall be chargeable on his behalf with standard tax in respect of any such income which arises whether directly or indirectly from or through his agency :

Power to charge agent on behalf of non-resident.
[1918, Gen. rr. 5 (part) & 6.]

15 Provided that—

(a) nothing in this section shall affect the liability of the non-resident to be charged in his own name;

20 (b) neither the non-resident nor the agent on his behalf shall be chargeable with tax in respect of profits arising from sales or transactions carried out with other non-residents solely because such sales or transactions are effected, or the proceeds thereof received, through an agency in the United Kingdom.

[1918, Gen. r. 11.]

25 (2) This section applies to any agent, whether for the purpose of carrying on a business or for any other purpose, and whether or not the agent receives the proceeds of any transactions effected through him, and the
30 expression "agent" includes a manager or receiver.

168.—(1) Nothing in the last preceding section shall render a resident person chargeable in respect of income arising from sales or transactions carried out through him, unless the resident is an authorised person carrying on the regular agency of the non-resident:

Exemption of business carried on through non-regular agency.

Provided that where sales or transactions are carried out on behalf of a non-resident through a broker in

[1918, Gen. r. 10.]

PART VI. the ordinary course of his business as such, and the
 —cont. broker—
 [1925, s. 17.]

(a) is a person carrying on bona fide the business of a broker in the United Kingdom; and

(b) receives, in respect of the business of the non- 5
 resident which is transacted through him,
 remuneration at a rate not less than that
 customary in the class of business in question;

then, notwithstanding that the broker is a person who 10
 acts regularly as broker for the non-resident, neither the
 non-resident nor the broker shall be chargeable in respect
 of income arising to the non-resident from those sales
 or transactions.

(2) In this section the expression "broker" includes 15
 a general commission agent.

Business of
 non-resident
 with resi-
 dent treated
 as business
 carried on
 in the
 United
 Kingdom in
 certain cir-
 cumstances.
 [1918, Gen.
 r. 7.]

169.—(1) Where a non-resident person carries on
 business with a resident person, and it appears to the
 Commissioners that, owing to the close connection
 between the resident and the non-resident and to the
 substantial control exercised by the non-resident over 20
 the resident, the course of business between those persons
 is so arranged that the resident obtains from his trans-
 actions with the non-resident either no profits or smaller
 profits than he might be expected to obtain if no such
 connection and control existed, that business shall be 25
 deemed to be a business carried on in the United
 Kingdom by the non-resident, and the resident shall be
 chargeable in respect of the income from that business as
 if he were an agent carrying on a regular agency for the
 non-resident and the income had arisen through his 30
 agency.

(2) This section shall not apply where the non-
 resident person is a British subject, or a company or
 partnership constituted according to the laws of a part
 of His Majesty's dominions, or a branch thereof. 35

Special
 basis of
 computa-
 tion in
 certain cir-
 cumstances.
 [1918, Gen.
 r. 8.]

170.—(1) Where in any case it appears to the
 Commissioners that the true amount of the income of
 any non-resident person in respect of which a resident
 is chargeable cannot be readily ascertained, the Com-
 missioners may, if they think fit, compute that income 40
 on a percentage of the turnover of the business done
 by the non-resident through or with the resident who
 is chargeable.

(2) In such case as aforesaid the provisions of section 250 relating to returns by persons chargeable on behalf of others shall extend so as to require returns to be given by the resident of the business so done by the non-resident through or with him.

PART VI.
—cont.

[1918, Gen. r. 9.]

(3) The amount of the percentage under subsection (1) of this section shall be determined by the Commissioners, having regard in each case to the nature of the business.

(4) If either the resident or the non-resident is dissatisfied with the percentage determined, either for the purposes of the provisional assessment or of the assessment, he may within four months of that determination require the Commissioners to refer the question of the percentage to the Referees, and their decision shall be final.

171. Where a resident person is chargeable in respect of any income of a non-resident arising from the sale of goods or produce manufactured or produced out of the United Kingdom by the non-resident, the resident may, if he thinks fit, apply to the Commissioners to have the income computed on the basis of the profits which might reasonably be expected to have been earned—

Computation on basis of merchanting profit in certain circumstances.
[1918, Gen. r. 12.]

(a) by a merchant; or
(b) where the goods are retailed by or on behalf of the manufacturer or producer, by a retailer of the goods sold who had bought from the manufacturer or producer direct,
and the assessment shall be made or amended accordingly.

172.—(1) A resident person who is chargeable in respect of any income of a non-resident person shall be answerable for the making of returns in manner provided by this Act and for all other matters required to be done under this Act for the purposes of the assessment of income and the charge and payment of tax.

Responsibility and indemnity of agents.
[1918, Gen. r. 13.]

(2) Any resident person who has been duly charged with tax in respect of any income of, or who has lawfully paid tax on behalf of, a non-resident person may raise and retain out of property from time to time coming into his hands on behalf of the non-resident such sum as is sufficient to pay the tax charged, and shall be acquitted

[1918, Gen. r. 14.]

PART VI. and discharged of so much as is equal to any tax so paid,
 —cont. and if and so far as such property is insufficient shall be
 entitled to be indemnified for any amount so paid.

Non-residents (Allowances and exemptions).

Allowances
 to indi-
 viduals
 not to be
 granted to
 non-resi-
 dents not
 being
 British
 subjects,
 etc.
 [1920, s. 24.]

173.—(1) Subject as hereinafter provided, no 5
 allowance under sections 81, 89 or 90 shall be granted
 in the case of any individual who is not resident in the
 United Kingdom.

(2) The foregoing provision shall not apply in the 10
 case of an individual who—

- (a) is a British subject; or
- (b) is or has been employed in the service of the
 Crown, or who is employed in the service of any
 missionary society, or in the service of any
 native State under the protection of His Majesty; 15
 or
- (c) is resident in the Isle of Man or the Channel
 Islands; or
- (d) has previously resided within the United
 Kingdom and is resident abroad for the sake 20
 of his health or the health of a member of his
 family resident with him; or
- (e) is a widow whose late husband was in the service
 of the Crown.

(3) If an individual who by virtue of subsection (2) 25
 of this section is entitled to any such allowance possesses
 non-taxable income, no such allowance as aforesaid shall
 be granted so as to reduce the amount of standard tax
 ultimately borne by him below the amount resulting
 from the last of the following calculations:— 30

There shall be calculated—

- (a) the aggregate of the whole income of the
 individual, whether taxable or non-taxable;
- (b) the amount of the taxable income of the 35
 individual;
- (c) the amount of standard tax which the indi-
 vidual would be liable ultimately to bear if the
 whole income were taxable income:

- (d) the amount which results from multiplying the amount arrived at under paragraph (c) by the amount arrived at under paragraph (b), and dividing the product by the amount arrived at under paragraph (a).

PART VI.
—cont.

5

For the purposes of this subsection, in relation to any individual—

“taxable income” means income in respect of which the individual is liable to bear standard tax;

10

“non-taxable income” means income of the individual in respect of which standard tax is not chargeable, but would be chargeable if the income arose in the United Kingdom.

- 174.—(1) Where securities have been issued by the Treasury with a condition that the interest thereon shall not be liable to tax so long as it is shown that the securities are in the beneficial ownership of persons who are not ordinarily resident in the United Kingdom, then, on a claim being made for the purpose by any such person, no tax shall be charged in respect of the interest on any such securities in his beneficial ownership.

Exemption of non-residents from tax in respect of interest on certain securities.

[1918, s. 46 (1); 1931 (No.2), s. 22.]

- (2) Where securities have, under the authority of the Treasury, been issued in the United States of America by a municipal corporation, county council or other local authority in the United Kingdom, the holder thereof shall not be liable to tax in respect of the income arising therefrom, unless he is a person domiciled in the United Kingdom or a British subject ordinarily resident in the United Kingdom.

[1918, s. 46 (4).]

- The expression “local authority” in this subsection includes the Metropolitan Water Board and any other public body which is recognised as a local authority for the purposes of this subsection by the appropriate Government department.

- (3) In determining the question whether any person is ordinarily resident in the United Kingdom within the meaning of this section no regard shall be had to the definition of “resident” contained in this Act.

35

PART VI.

—cont.

Copyright royalties payable to non-residents.
[1927, s. 25;
1928, s. 19;
1930, s. 18.]

Non-residents (Other provisions).

175.—(1) Where the usual place of abode of the owner of a copyright is not in the United Kingdom, the person by or through whom payments of or on account of any royalties or sums paid periodically for or in respect of that copyright are made shall be the person chargeable and have the same right of deduction of tax as if such payments were income of Class J, but notwithstanding anything in section 72 a separate assessment and charge under that section shall be made in respect of that income, and section 98 shall not apply to any such payment.

(2) Where any such payment is made to an agent of the owner of the copyright who is resident in the United Kingdom, and who is entitled as against the owner of the copyright to retain any sum by way of commission in respect of services rendered, then, in computing the income in respect of which the person making the payment is chargeable with tax, the amount so retainable by the agent shall be allowed as a deduction from the amount in respect of which tax is so chargeable as aforesaid:

Provided that where the person by or through whom any such payment is made does not know that any such commission is payable, or does not know the amount thereof, the computation of the income in respect of which he is chargeable with tax shall in the first instance be made without regard to the amount to be allowed as aforesaid, but in that case, on a claim being made for the purpose, the agent shall be entitled to be paid on behalf of the owner of the copyright an amount equal to the tax on the sum which would have been so allowable.

(3) For the purposes of this section—

the expression “copyright” does not include copyright in any dramatic work being a cinematograph production, or in any artistic work being a photograph intended to be used for the purpose of the exhibition of pictures or other optical effects by means of a cinematograph or similar apparatus;

the expression “owner of a copyright” includes a person who, notwithstanding that he has assigned a copyright to some other person, is

entitled to receive periodical payments in respect of the copyright;

PART VI.
—cont.

5 the reference to royalties or sums paid periodically for or in respect of a copyright shall not include royalties or sums paid in respect of copies of works exported from the United Kingdom for distribution outside the United Kingdom.

10 (4) The time of making a payment to which this section applies shall for the purposes of this Act be taken to be the time when it is made by the person by whom it is first made, and not the time when it is made by or through any other person.

15 (5) Any deduction of tax authorised by this section may be made notwithstanding any agreement to the contrary.

176. Where any pension arising in the United Kingdom is payable to a person who resides outside the United Kingdom, then, unless the services in respect of which the pension is payable were performed wholly outside the United Kingdom, the person by or through whom the pension is paid shall be the person chargeable and shall have the same right of deduction of tax as if such pension were income of Class J, but notwithstanding anything in section 72 a separate assessment and charge under that section shall be made in respect of that income, and section 98 shall not apply to the payment of any such pension.

Pensions payable to non-residents.
[New.]

Weekly wage-earners.

30 177.—(1) The next succeeding section applies to weekly wage-earners employed in the United Kingdom by way of manual labour but does not apply to persons employed as clerks, typists, draftsmen, or in any similar capacity.

Description of weekly wage-earners.
[1918, Sch. D, Cases I & II, r. 2 (2).]
[1918, Sch. D, Cases I & II, r. 2 (3).]

35 (2) If any question arises whether any person is a person to whom that section applies that question shall be determined jointly by the Board and the General Commissioners and their determination shall be final and conclusive on the question.

PART VI.
—*cont.*

Method of
assessment,
charge and
payment of
tax.

[1918, s. 2;
Sch. D,
Cases I & II,
r. 2 (1);
1925, s. 18;
1926, s. 21.]

178.—(1) Weekly wage-earners shall be charged with tax in respect of their wages as income of Class E, subject to the following modifications :—

(a) the assessment of income and charge of tax shall be made for each half-year instead of being made for a year;

(b) the period of computation shall be the half year for which the charge is to be made,

and the provisions relating to income of Class E shall apply accordingly subject to those modifications and to any modifications which may be prescribed by regulations made under this section. 10

[1918, s. 22
(1).]

(2) In the case of any weekly wage-earner the fact that income is assessed and tax charged for each half-year shall not affect the grant of any of the allowances to individuals under sections 81, 89 and 90, and any such allowance shall be given as if the aggregate amounts of the assessments for the two half-years, and the aggregate amounts of tax with which he is charged for the two half-years, were respectively the amount of the assessment for the year, and the amount of tax with which he is chargeable for the year: 15 20

[1918, s. 22
(2).]

Provided that the Board may, by regulation under this section, provide for any such allowance being effected by way of repayment or reduction of the tax paid or to be paid for either or both of the half-years in the year of charge. 25

[1918, ss. 157
(4), 169 (2);
1924, s. 30.]

(3) The tax payable by weekly wage-earners shall be payable as prescribed by regulations made by the Board under this section, and shall be recoverable summarily as a civil debt under section 315, notwithstanding that the amount payable may be fifty pounds or upwards. 30

[1918,
s. 131.]

(4) The Board may make regulations generally with respect to the assessment of income and the charge and collection of tax in the case of weekly wage-earners, and with respect to the procedure to be adopted for the purpose, and may, in particular, by those regulations— 35

[1918,
s. 105 (3).]

(a) require that the returns to be made by employers under section 251 shall, so far as they 40

relate to weekly wage-earners, be made at such intervals and times, and in respect of such periods, as may be prescribed by the regulations; PART VI.
—cont.

5 (b) provide for the assessment and charge being made by the inspector and for collection by a collector appointed by them, so, however, that no right of appeal to the Commissioners shall be affected. [1918, s. 131.]
[1919; s. 236.]

10 (5) All regulations made under this section shall be laid before Parliament.

The Crown.

179.—(1) Where, if the payee were a private person, a deduction of tax from any payment would be authorised under this Act, the deduction may be made notwithstanding that the payment is made to the Crown or any Government department or other person on behalf of the Crown. The Crown.
[1918, Sch. A, No. VIII, rr. 1 and 4, extended to other payments.]

20 (2) Tax shall be charged in respect of the annual value of any land which belongs to the Crown and is in the occupation of an officer of the Crown by right of his office or otherwise, and shall be paid by the occupier of the land; but this subsection shall not apply with regard to apartments in any of the Royal palaces. [1918, Sch. A, No. VII, r. 11.]

25 (3) No tax shall be charged on the Bank of England in respect of income of Class G or Class L arising from securities belonging to the Crown, in whatever name they may stand in the books of the Bank. [1918, Sch. C, Gen. r. 2 (b).]

Governments of parts of His Majesty's dominions.

30 180.—(1) If any business is carried on in the United Kingdom by or on behalf of the Government of any part of His Majesty's dominions outside the United Kingdom, that Government shall be liable to be charged with and bear tax in respect of— Liability of Dominion and Colonial Governments to tax in respect of trading operations.

35 (a) income from the enjoyment of property in land situate in the United Kingdom, and owned or occupied by that Government for the purposes of such business, being income of Class A; [1925, s. 25.]

PART VI.
—cont.

- (b) income from the occupation of land so situate and occupied, being income of Class B;
- (c) income from such business, being income of Class D;
- (d) income of any other Class, to the extent to 5 which such income arises in connection with the business carried on in the United Kingdom.

(2) Nothing in this section shall render any such Government liable to be charged with or bear tax in respect of any income other than income described 10 in subsection (1) of this section.

Diplomatic persons.

High
Commis-
sioners,
Agents-
General,
Consuls, etc.
—exemption
in favour of
certain
officials.

181.—(1) A High Commissioner or Agent-General within the meaning of this section, who is resident in the United Kingdom, shall be entitled to the same immunity 15 from tax as that to which an accredited Minister of a foreign State so resident is entitled whether by virtue of any Act or otherwise.

(2) Any person exercising any employment in the United Kingdom as a member of the personal staff of 20 any High Commissioner or Agent-General or as an official agent for British India or any self-governing Dominion or any state or province of a self-governing Dominion or for any self-governing colony, and certified by the High Commissioner or Agent-General, as the case may 25 be, to be resident in the United Kingdom solely for the purpose of the performance of his duties as such member or official agent, shall be entitled to the same immunity from tax as that to which a member of the staff of an accredited Minister of a foreign State is entitled whether 30 by virtue of any Act or otherwise :

Provided that nothing in this subsection shall operate to grant relief from tax in respect of income arising from the employment of any person in any business carried on for the purposes of profit. 35

(3) A consul in the United Kingdom in the service of any foreign State shall be exempt from tax in respect of any income arising from his office.

(4) An official agent in the United Kingdom for any foreign State shall be exempt from tax in respect of any 40 income arising from his employment as such official agent,

not being an employment exercised by a British subject or exercised in connection with any business carried on for the purposes of profit. PART VI.
—cont.

(5) In this section—

5 “High Commissioner” means the High Commissioner for British India or for any of the Dominions;

10 “Agent-General” means the Agent-General for any state or province of a self-governing Dominion or for any self-governing colony;

15 “Official agent” means a person not being a consul, who is employed on the staff of any consulate, official department or agency of a foreign State, not being a department or agency which carries on any business for the purposes of profit;

20 “Dominion” means the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, the Irish Free State, or Newfoundland;

“Self-governing colony” means any colony certified by the Secretary of State to be a self-governing colony;

25 “Consul” means a person recognised by His Majesty as being a consul-general, vice-consul, or consular agent.

182.—(1) Tax in respect of the annual value of any land occupied by the accredited Minister of any foreign State or by a High Commissioner or Agent-General shall be charged on and paid by the landlord or person immediately entitled to the rent of the land. Accredited
Ministers.
[1918,
Sch. A,
No. VII,
r. 10;
1925, s. 26.]

(2) No tax shall be chargeable in respect of income of Class G or of Class L arising from stocks, shares or securities belonging to the accredited Minister of a foreign State resident in the United Kingdom or to a High Commissioner or Agent-General so resident: [1918,
Sch. C,
Gen.
r. 2 (c);
1925, s. 26.]

40 Provided that where any such stocks, shares or securities stand in the name of a trustee the ownership of any such Minister, High Commissioner or Agent-General shall be proved by the trustee to the Special Commissioners.

PART VI.
—cont.

(3) For the purposes of this section the expressions “ High Commissioner ” and “ Agent-General ” have the same meaning as in the last preceding section.

Official pay, official pensions and leave pay.

Official pay
and official
pensions.
[1918,
Sch. E,
rr. 11, 13 &
15.]

183.—(1) Where any official pay or official pension 5
is payable, deductions on account of standard tax
which is or will become payable in respect thereof
may be made out of the pay or pension or any arrears
thereof.

(2) Deductions authorised by this section shall be 10
made at such times in each year as the payments on
account of the pay or pension are made, and may be
made whether or not the charge of tax has been made,
so however that if on the assessment becoming final and
conclusive it appears that the deductions made exceed 15
the tax payable, the amount overpaid by means of the
previous deductions shall be repaid :

[1922,
s. 19.]

Provided that where any such deduction has been
made from the pay or pension of any person, he shall
have the same right of appeal against the deduction as he 20
he has against the assessment of the pay or pension.

(3) The sums deducted under this section shall
be treated as payments on account of tax in respect of
the pay or pension from which they are deducted.

(4) If and so far as any official pay or official pension 25
is paid without such deduction of tax as aforesaid, the
tax may be collected and payment thereof enforced in
like manner as if it had been charged by the General
Commissioners having jurisdiction in the place where
the person entitled to the income resides, and nothing in 30
this section shall prevent the person entitled thereto being
charged with tax in respect thereof in like manner as if
the pay or pension were not official pay or an official
pension.

[1918,
Sch. E,
r. 10.]

(5) Where the Treasury are satisfied with respect to 35
any class of persons in receipt of official pay that such
persons are obliged to incur expenditure exclusively and
necessarily in the performance of the duties in respect of
which the official pay is payable, the Treasury may fix as
the sum to be deducted on account of such expenditure 40
such a sum as in their opinion fairly represents the average
annual amount expended as aforesaid by persons of that
class :

Provided that if any person would, apart from the provisions of this subsection, be entitled to deduct a larger amount than the sum so fixed, that sum shall be deducted instead of the sum so fixed.

PART VI.
—cont.

5 (6) This section shall not apply to weekly wage earners within the meaning of section 177.

(7) For the purposes of this section—

10 “Official pay” means the emoluments of any office or employment which are payable by the Crown or out of the public revenues of the United Kingdom or of Northern Ireland, where such emoluments are payable by the Paymaster-General, or at a public office, or by any officer of the Royal Household, or by
15 a Crown receiver or paymaster, or by any agent employed in that behalf;

20 “Official pension” means any pension so payable as aforesaid to a person who has held or exercised an office or employment, or to his wife, widow or child, or to any relative or dependant of his, in respect of the services of that person in such an office or employment, whether the pension is or is not paid voluntarily or is or is not capable of discontinuance.

25 (8) This section (except subsection (5)) shall apply to the following pay, pensions and annuities as if they were official pay or official pensions, that is to say :—

30 (a) pay and pensions in respect of service in any of the offices mentioned in subsection (6) of section 355, or in the Bank of England;

35 (b) any annuity payable out of the public revenue of the United Kingdom through a Government department to a member of the Royal Family, or in respect of the services of any person in any capacity whatsoever.

184.—(1) Where the person entitled to any income, being pay or pension to which this section applies, is chargeable with tax in respect thereof as being resident in the United Kingdom, the following provisions shall
40 have effect :—

(a) tax in respect of the pay or pension shall be deducted in like manner as if it were official

Leave pay.
[1918,
Sch. E,
rr. 1 & 5;
1923, s. 17;
1927, s. 45

(1) (a).]

PART VI.
—cont.

pay or an official pension, and the provisions of the last foregoing section shall apply accordingly;

- (b) for the purpose of computing the amount of the income, the year of computation shall be the year of charge instead of the year preceding the year of charge; 5
- (c) if in any year the amount in respect of which tax has been paid (whether by deduction or otherwise) exceeds the amount in respect of which tax ought to have been paid, the person entitled to the pay or pension shall be entitled, on a claim being made for the purpose, to be repaid the amount so overpaid. 10

[1923, s. 17; 1932, s. 17 (2).] (2) This section applies to any pay or pension payable in the United Kingdom (otherwise than out of the public revenue of the United Kingdom or of Northern Ireland) by or through any officer or agent of the Government of any part of His Majesty's dominions to a person who is or has been employed in the service of the Crown outside the United Kingdom in respect of that service, or to his wife, widow or child, or to a relative or dependant of his, and in the case of a pension whether it is or is not paid voluntarily, and whether it is or is not capable of discontinuance. 15 20 25

Indian pensions, etc.

[1918, Sch. D, Misc. r. 7.]

185. Where any pension, annuity, or other annual payment payable out of the funds of any institution in India is entrusted to any person in the United Kingdom for payment, that person shall be the person chargeable with standard tax in respect thereof in like manner as if it were income of Class L, and the provisions relating to liability to tax, computation and assessment of income, and charge and deduction of tax, applicable in the case of income of Class L, shall apply as respects every such pension, annuity or other annual payment. 30 35

Allowances to Crown servants abroad. [1927, s. 42 (5).]

186. In computing, for the purposes of sur-tax, total income for any year of charge there shall, in the case of an individual in the service of the Crown abroad, be allowed such a reduction as the Treasury may consider proper for expenses which in their opinion are necessarily incidental to the discharge of the functions of his office and for which an allowance has not already been made. 40

*Seafaring persons.*PART VI.
—cont.

187.—(1) In the case of a ship engaged in trading or going between some place or places in the United Kingdom and some other place or places in the United Kingdom, employment in the ship shall be treated as employment within the United Kingdom.

Seafaring persons—
place of
employ-
ment.

(2) In the case of a ship engaged in trading or going between some place or places in the United Kingdom and some place or places outside the United Kingdom, employment in the ship shall be treated as employment outside the United Kingdom, except that whilst the ship is engaged in trading or going from any place in the United Kingdom to another place in the United Kingdom, or whilst the ship is in the United Kingdom or the territorial waters thereof, employment in the ship shall be treated as employment within the United Kingdom.

[New.]

(3) In the case of a ship engaged in trading or going between some place or places out of the United Kingdom and some other place or places out of the United Kingdom, employment in the ship shall be treated as employment outside the United Kingdom.

Intermittent employments.

188.—(1) Where an office or employment (not being a public office or employment) is held or exercised in the United Kingdom occasionally or intermittently only, and the person by whom it is held or exercised is not resident, or is not solely or principally resident, in the United Kingdom, then for the purpose of computing the income from the office or employment the year of computation shall be the year of charge, instead of the year preceding the year of charge, both as respects so much of that income as is income of Class E and so much (if any) thereof as is income of Class N.

Employ-
ments exer-
cised inter-
mittently in
the United
Kingdom.
[1927, s. 45
(1) (b).]

(2) If in any such case the amount in respect of which tax has been paid exceeds the amount in respect of which tax ought to have been paid, the person holding the office or exercising the employment shall be entitled, on making a claim for the purpose, to be repaid the amount so overpaid.

[1918, Sch.
E, r. 5;
1922, s. 18
(5);
1927, s. 45
(9).]

PART VI.
—cont.*Ecclesiastical persons and matters.*

Special deductions in computing income of ministers of religion. [1918, Gen. r. 2.]

189.—(1) In computing income of any Class derived by a minister of religion from his office or vocation as such minister, the following deductions shall be made to the extent to which they have not already been made in computing income of that or any other Class :—

- (i) the amount of any expenses exclusively and necessarily incurred in the performance of his duty as such minister; and
- (ii) if he occupies a dwelling-house and uses any part of it mainly for the purposes of such duty, one-eighth part of the rent paid by him for that house, or of the rental value of that house as computed for the purposes of income of Class A, whichever is the greater :

Provided that in any particular case some fraction smaller than one-eighth may be fixed for the purposes of the last-mentioned deduction.

(2) Where any amount which is deductible under the preceding subsection has not been deducted in computing his income, the minister shall, on a claim being made for the purpose, be entitled to be repaid so much of the tax borne by him as is equal to tax at the standard rate on that amount.

Annual value of dwelling-house of minister of religion treated as earned income in certain circumstances. [1919, s. 22.]

190.—(1) If a minister of religion resides in a dwelling-house in such circumstances that he is not the person chargeable with tax in respect of income of Class A as the occupier of the house, he shall nevertheless, on a claim being made for the purpose, be entitled to have the annual value of the house, less the amount of any rent, fee farm rent, rentcharge (other than tithe rentcharge), quit rent or other annual payment payable in respect of the house, treated as part of the emoluments of his office.

(2) Any such claim shall be made not later than the thirtieth day of September in the year of charge; or if the minister did not commence to reside in the dwelling-house before the first day of July in that year, at any time before the expiration of three months after his residence commenced.

(3) Any such claim shall have effect for all subsequent years until it is revoked by notice in writing, or until

the minister who made the claim ceases to reside in the house. PART VI.
—cont.

191. Any ecclesiastical or other person who has paid in the year preceding the year of charge 5 any tenths, first fruits, duties or fees on presentations, or any procurations or synodals shall, on a claim being made for the purpose, be entitled to relief from tax in respect of the amount so paid. Deduction of tenths, etc. [1918, Sch. A, No. V., rr. 1 (a) & (b), 3 and 5.]

192. If an ecclesiastical or other person who is 10 bound to expend money on the repair of any collegiate church or chapel, or the chancel of any church, has within the year preceding the year of charge expended any amount on such repair, that person shall, on a claim being made for the purpose, be entitled to relief from tax 15 in respect of the amount so expended. Relief in respect of expenditure on repair of chancels, etc. [1918, Sch. A, No. V., rr. 1 (c) and 5.]

193.—(1) The vesting in Queen Anne's Bounty, by virtue of Part II of the Tithe Act, 1925, of any tithe rentcharge shall not, nor shall the postponement 20 under that Act of any payments into the sinking fund or any consequential increase of such payments under that Act, affect the amount in respect of which the incumbent of the benefice or ecclesiastical corporation on account of which the tithe rentcharge is held, or other the person for the time being entitled to receive the 25 emoluments of the benefice or corporation, is liable to pay tax in respect of the tithe rentcharge. Tax in respect of tithe rentcharge vested in Queen Anne's Bounty. [15 & 16 Geo. 5 c. 87, ss. 8 (1) and 13.]

(2) Standard tax in respect of any such tithe rentcharge shall be charged on and paid by Queen Anne's 30 Bounty and by them deducted from the sum payable to the incumbent or corporation, and the deducting of such amount shall be deemed to be a payment by the incumbent or corporation of the standard tax payable in respect of sums paid by Queen Anne's Bounty to the 35 incumbent under section five of the said Act, or, as the case may be, to the corporation under that section as modified in its application to ecclesiastical corporations by section thirteen of that Act.

Husbandry and woodlands.

194.—(1) A person occupying any land for the 40 purposes of husbandry only may elect that the income from the occupation of the land for any year of charge Right of farmer to be assessed on profits basis.

PART VI. shall be treated as income of Class D instead of as income
—cont. of Class B.

[1918,
Sch. B,
r. 5.]

(2) Where such an election is made the income for that year of charge shall be assessed, and tax in respect thereof charged, as if husbandry were a business, 5 and the income shall for all the purposes of this Act be income of Class D, and the provisions of this Act relating to income of Class D shall apply accordingly, subject to the following modifications :—

[1925, s. 16.]

(a) The provisions of paragraph (b) of section 200 10 shall apply ;

[1926, s. 33
(4).]

(b) If for any of the six years of charge mentioned in section 96 the income from the occupation of the land is assessed and tax in respect thereof charged as income of Class B, 15 no relief under that section shall be allowed for that year or any subsequent year ;

*Tranent Co-
operative
Society v.
Brown.*
[1921,
S.C. 219 ;
8 T.C. 1.]

(c) Where the person who makes the election is a person who is not exempt from tax in respect of income of Class B but would be so exempt in 20 respect of income of Class D, the exercise of the right of election under this section shall not confer on him any right to exemption.

[1918,
Sch. B,
r. 5.]

(3) An election under this section shall not be valid as respects any year of charge unless notice in writing 25 is given to the inspector within twelve months before the sixth day of June in that year.

Relief where
profits fall
short of
occupation
value.
[1918,
Sch. B,
r. 6.]

195.—(1) Where during any year of charge any land is occupied for the purposes of husbandry only, and the actual profits arising from the occupation of the land 30 fall short of the occupation value of the land, then, upon a claim being made for the purpose by the occupier, the income from the occupation of the land for that year shall, instead of being the occupation value of the land, be the amount of those actual profits, and the assessment 35 shall be amended accordingly.

(2) A claim under this section must be made within one year after the end of the year of charge to which it relates.

Loss by
reason of
flood or
tempest.

196.—(1) Where the occupier of any land has 40 sustained loss by reason of tempest or flood, either through the crops or stock on the land being injured or

through the land or any part thereof being rendered incapable of cultivation, then—

PART VI.
—cont.

[1918,
Sch. A,
No. V, r. 9;
Sch. B,
r. 3.]

5 (a) if the occupier of the land is a tenant, and the landlord has in consideration of that loss allowed or agreed to allow to the tenant an abatement of the whole or any part of the rent payable for any year, tax for the appropriate year of charge may, on a claim being made for the purpose, be charged as if the annual value, or the occupation value, of the land, or both such values, as the case may require, were reduced in the proportion which the amount of the abatement bears to the rental value;

10 (b) if the occupier of the land is the owner, the like reductions may, on a claim being made for the purpose, be allowed as might have been allowed had the occupier been a tenant and had his landlord made such abatement of rent as would or ought to have been made in respect of the loss.

15 (2) Where the occupier of the land is a tenant, and the landlord is an infant or person of unsound mind, or otherwise incapable of consenting to an abatement of the rent, the like reduction in respect of the income from the occupation of the land may be made as might be made if the owner had been the occupier.

20 (3) A claim under this section may be made by the occupier of the land, or, so far as it relates to the annual value of the land, by the landlord who allowed or agreed to allow the abatement of rent.

30 197.—(1) Where the land occupied by a dealer in cattle or a seller of milk is insufficient for the keep of the cattle thereon, to such an extent that the occupation value of the land affords no just estimate of the profits of such dealing or selling, those profits shall be computed as if they were income of Class K, and the occupier shall be chargeable with tax in respect of the excess of those profits over the occupation value, in addition to the tax in respect of the income of Class B from the occupation of the land.

Cattle-dealers and milk-sellers.
[1918,
Sch. D,
Case III,
r. 4.]

35 (2) Such excess shall be income of Class K for all the purposes of this Act, except that section 200 shall apply, and section 100 shall not apply.

PART VI.
—cont.

(3) For the purpose of computing such excess the Commissioners may require the occupier of the land to make such a return as he would be required to make if the profits of such dealing or selling were income of Class K.

5

Nurseries
and certain
gardens.
[1918,
Sch. B, r. 8.]

198.—(1) Where land is occupied as a nursery or as a garden for the sale of the produce, the income from the occupation of the land shall be assessed and tax in respect thereof charged as if the carrying on of a nursery or such a garden were a business, and the income shall for all the purposes of this Act be income of Class D, and the provisions of this Act relating to income of Class D shall apply accordingly.

10

(2) This section shall not apply to hop-gardens.

Woodlands
managed on
commercial
basis.
[1918,
Sch. B,
r. 7.]

199.—(1) If a person occupies any land, being woodlands, and those woodlands are managed by him on a commercial basis and with a view to the realisation of profits, he may elect that the income from the occupation of that land shall be treated as income of Class D instead of as income of Class B.

20

[1918,
Sch. B,
r. 5.]

(2) The election must be made by giving notice to the inspector within twelve months before the sixth day of June in the year of charge for which it is first to have effect, and shall have effect for that and all subsequent years so long as the woodlands are occupied by the person making the election.

25

[1918,
Sch. B,
r. 7 (a).]

(3) Any such election shall extend to all woodlands so managed as aforesaid on the same estate :

Provided that if within the ten years preceding the date of the election any woodlands were planted or replanted the election may be limited to those woodlands.

30

[1918,
Sch. B,
rr. 5 & 7.]

(4) Where such an election is made the income shall be assessed and tax in respect thereof charged as if the management of woodlands were a business, and the income shall for all the purposes of this Act be income of Class D, and the provisions of this Act relating to income of Class D shall apply accordingly, subject to the following modifications :—

35

[1925, s. 16.]

(a) the provisions of paragraph (b) of section 200 shall apply ;

40

(b) where the person who makes the election is a person who is not exempt from tax in respect of income of Class B but would be so exempt in respect of income of Class D the exercise of the right of election under this section shall not confer on him any right to exemption;

and section 95 shall apply as if the management of woodlands was a business within the meaning of that section.

PART VI.
—cont.
Tranent Co-operative Society v. Brown.
[1921, S.C. 219; 8 T.C. 1.]
[1918, Sch. B, r. 7 (c).]

- 5
- 10 (5) Any question whether any woodlands—
 (a) are managed on a commercial basis and with a view to the realisation of profits; or
 (b) have been planted or replanted within the preceding ten years,

15 shall, if the occupier so requires, be referred for determination by the Special Commissioners instead of by the General Commissioners.

200. Where for any year of charge the income from the occupation of any land is, by virtue of section 194, 195, 197, 198 or 199, to be computed otherwise than solely by reference to the occupation value thereof—

Application of provisions relating to wear and tear and obsolescence of machinery and plant.
[1925, s. 16 (so far as it relates to agriculture).]

- 25 (a) a like deduction shall be made in respect of wear and tear of, and the replacement of obsolete, machinery and plant as would be made under sections 25 and 26 if the income were income of Class D; except that
30 (b) if, for any year of charge preceding the year of computation, the income from the occupation of the land has been assessed solely by reference to the occupation value thereof, any allowance for wear and tear which would have been appropriate if the income for that year had been income of Class D shall be deemed to have been made.

35 *Sporting rights.*

201.—(1) Where any sporting rights are exercised or enjoyed by the occupier of any land (whether he be the owner of the land or not), any enhanced value or rent attributable to such exercise or enjoyment shall be included in arriving at the rental value of that land for the purposes of Class A and Class B.

Special provisions as to sporting rights.
[New.]

40

PART VI.
—cont.

(2) Where a lease or licence to exercise any sporting rights over any land has been granted to a person other than the occupier of the land, profits arising from such lease or licence shall be income of Class K.

(3) "Sporting rights" means rights of shooting, 5
taking or killing game, wildfowl or rabbits, or of fishing.

(4) This section does not apply to fishings which are concerns within the meaning of section 217.

Tenement buildings.

Unit of
assessment
in case of
tenement
buildings,
and person
chargeable.
[1918,
Sch. A,
No. VII,
rr. 8 (c) and
12.]

202.—(1) In the case of a house or building (herein- 10
after referred to as a tenement building), consisting of
flats, offices, tenements or other parts separately occupied,
the whole tenement building shall be the unit of assess-
ment for the purposes of income of Class A, unless the
tenement building is divided into distinct properties, in 15
which case each such property shall be a unit of assessment
for those purposes.

(2) Where the unit of assessment consists of two or
more parts separately occupied—

(a) the rental value shall be the sum of the rental 20
values of the several parts, and the repairs
deduction shall be computed by reference to
that sum;

(b) the person entitled to the rents and profits of all
the parts constituting the unit shall be the 25
person chargeable with tax in respect of the
annual value thereof.

(3) Where the whole unit of assessment is in a
single occupation the annual value shall be computed
and tax in respect thereof charged in accordance with 30
the general provisions applicable to income of Class A.

Relief from
tax in
respect of
unoccupied
premises.
[1930, s. 21.]

203.—(1) Where under section 202 the unit of
assessment consists of two or more parts, and any of those
parts is unoccupied during any year or part of any year of
charge, such relief from tax shall be given as appears to 35
the Board to be just.

(2) An application for relief under this section must
be made within one year after the expiration of the
year of charge, and relief shall, where necessary, be given
by way of repayment of tax.

204.—(1) Where under subsection (2) of section 202 the person entitled to the rents and profits of all the parts constituting the unit of assessment is the person charged with tax and he fails to pay it, such portion of the tax may be collected and recovered from the occupier of each several part as the rental value of his part bears to the aggregate rental value of the unit of assessment, and such proportion shall be determined, in case of dispute, by the General Commissioners.

PART VI.
—cont.
Power to recover tax from occupier if owner defaults.
[1918, Sch. A, No. VII, r. 8.]

(2) Where any sum on account of tax has been recovered from an occupier in pursuance of the foregoing subsection, he may deduct that sum from any subsequent payment on account of rent and shall be acquitted and discharged of the amount so deducted.

(3) Where a person would under the preceding subsection be entitled to make a deduction from a subsequent payment on account of rent, but is unable to do so by reason that no such payment becomes due after the recovery of the tax, the amount which would have been so deductible shall be a debt due to him from the person who would have been liable to allow the deduction.

Mutual profits.

205.—(1) In the case of an incorporated company (whether incorporated in the United Kingdom or elsewhere), in computing profits for the purposes of the provisions of this Act relating to income of Class D and in computing profits of dealers in cattle and sellers of milk for the purposes of section 197, the profits shall be deemed to include any profit or surplus arising from transactions of the company with its members which would be included in computing profits for the purposes of those provisions if those transactions were transactions with non-members, and the profit or surplus aforesaid shall be determined for the purposes of those provisions on the same principles as those on which profits arising from transactions with non-members would be so determined.

Charge of tax on mutual profits.
[1933, s. 31.]

(2) It is hereby declared that in computing, for the purposes of the provisions mentioned in subsection (1) of this section, the profits of a company which include any such profit or surplus as is mentioned

PART VI. in that subsection, there are to be deducted as expenses
 —*cont.* any sums which—

- (a) represent a discount, rebate, dividend, or bonus granted by the company to members or other persons in respect of amounts paid or payable 5 by or to them on account of their transactions with the company, being transactions which are taken into account in the said computation; and
- (b) are calculated by reference to the said amounts or to the magnitude of the said transactions, and 10 not by reference to the amount of any share or interest in the capital of the company.

Registered societies—loan and share interest.

Payment of
 loan and
 share
 interest of
 registered
 societies
 without
 deduction
 of tax.

206.—(1) Any share interest or loan interest paid by a registered society to a person whose usual place of abode is in the United Kingdom shall be paid without deduction of tax. 15

(2) Any share interest or loan interest so paid by a registered society without deduction of tax shall be income of Class H, but the person chargeable with tax 20
 [1933, s. 32.] in respect thereof shall be the person entitled thereto.

(3) Subject as hereinafter provided—

- (a) a registered society shall, on a claim being made for the purpose, be entitled to have the amount of tax which, but for any relief 25 under this paragraph, it would be liable ultimately to bear for any year of charge reduced by a sum representing tax on the amount of share interest or loan interest paid in that year by the society without 30 deduction of tax in accordance with subsection (1) of this section; and
- (b) where due relief under this subsection cannot be given for any year of charge in respect of any part of the share interest or loan interest 35 so paid by a society in that year, section 98 shall have effect as if that part of the share interest or loan interest had been

separately assessed under section 72, and the society had been charged with tax in respect of the amount so assessed and had paid tax in pursuance of that charge :

PART VI.
—cont.

5 Provided that this subsection shall not apply to any loan interest in respect of or by reference to which a deduction or relief is allowable to the society otherwise than under this subsection.

10 (4) On or before the first day of May in each year every registered society shall deliver to the inspector for the district in which its registered office is situate a return in the prescribed form, showing—

15 (a) the name and address of every person to whom loan interest (being loan interest to which subsection (3) of this section applies) amounting to the sum of five pounds or more has been paid by the society for the year of charge which ended next before the said first day of May; and

20 (b) the amount of such loan interest paid in that year to each of those persons;

and if such a return is not duly made for any year of charge the society shall not be entitled to any relief under this section in relation to any payments of
25 loan interest which it was required to include in the return, and the amount in respect of which any relief or allowance which has been so given may be assessed as income of Class K and tax in respect thereof (if not otherwise made good) charged on and recovered from the
30 society accordingly.

(5) For the purposes of this section—

(a) the expression “registered society” means a society registered under the Industrial and Provident Societies Acts, 1893 to 1928;

35 (b) the expression “share interest,” in relation to a registered society, means any interest, dividend, bonus, or other sum payable to a shareholder of the society by reference to the amount of his holding in the share capital of the society;

40 (c) the expression “loan interest,” in relation to a registered society, means any interest

PART VI.
—cont.

- payable by the society in respect of any mortgage, loan, loan stock, or deposit ;
(d) references to the payment of share interest or loan interest shall include references to the crediting of such interest.

5

Life assurance companies.

Separation of life assurance from other business.
[1918, a. 237; Sch. D, Cases I and II, r. 16 (1).]

207.—(1) Where an assurance company carries on life assurance business in conjunction with business of any other kind, the life assurance business of the company shall for the purposes of this Act be treated as a separate business.

10

[1923, s. 16 (3).]

(2) Where an assurance company carries on both ordinary life assurance business and industrial life assurance business, each such business shall, for the purposes of this Act, be treated as a separate business, and section 210 shall apply separately to each such business.

15

Direct charge for excess of annuities paid over income of annuity fund.

[1918, Gen. r. 21 (3).]

208. Where an assurance company carries on the business of granting annuities on human life, the amount of the taxed or taxable income within the meaning of section 9 derived from the investments of its annuity fund, and that amount only, shall, for the purposes of that section, be treated as lawfully applicable to the payment of the annuities, and if the amount of the annuities paid by the company exceeds the amount so derived, a separate assessment of the excess shall be made under section 72 and the company shall be liable to be charged with tax in respect of that excess.

25

Special provisions where income of assurance company computed on profits basis.

[1923, s. 16 (1).]

209.—(1) Where for any year of charge an assurance company carrying on life assurance business is charged with tax in respect of the income arising from the carrying on of that business as being income of Class D, such sums as belong to or are allocated to or expended on behalf of or reserved for policy-holders or annuitants shall be excluded in making the computation of profits :

35

Provided that if any sum so excluded as being reserved for policy-holders or annuitants ceases at any time to be so reserved, and is not allocated to or expended on behalf of policy-holders or annuitants, that sum shall be treated as part of the profits of the company for the accounting period in which it ceased to be so reserved.

40

(2) In ascertaining whether an assurance company has sustained a loss in respect of its life assurance business for the purpose of setting off, under section 94, such loss against the income of any other business carried on by the company, or for the purpose of obtaining, under section 95, repayment of tax on account of such loss, any income of the company derived from the investments of its life assurance fund shall be included in making the computation of the profits of the company arising from its life assurance business.

PART VI.
—cont.
[1918, Sch. D, Cases I & II, r. 15 (2).]

210.—(1) Where for any year of charge an assurance company (whether proprietary or mutual) carrying on life assurance business is not charged with tax in respect of the income arising from the carrying on of that business as being income of Class D, and the company has borne tax by deduction or otherwise in respect of income derived from the investments of its life assurance fund, the company shall, on a claim being made for the purpose within one year after the expiration of the year of charge, be entitled to repayment of so much of the tax so borne by it as represents the amount of the tax on any sums disbursed as expenses of management (including commissions) for that year:

Allowance for expenses of management of assurance company where charged on income from investments.
[1918, s. 33 (1) & (2); 1923, s. 16 (4).]

Provided that—

- 25 (a) relief shall not be given under this section so as to make the tax borne by the company less than the tax which would have been borne by it if the income had been treated as income of Class D;
- 30 (b) a sum equal to the amount of any fines and fees, and of any profits arising from reversions, and from the granting of annuities on human life, shall be deducted from the amount of the expenses of management; [1923, s. 16 (2).]
- 35 (c) expenses of management shall not include any expenses for which a deduction or relief may be allowed or claimed under paragraph (1) of section 14 or under section 101. [1918, s. 33 (3).]

(2) (a) In computing profits arising from reversions, the company may set off against those profits any loss arising from reversions for any previous year (not being a year prior to the year 1915-16) if and so far as such loss has not previously been so set off. [1918, s. 33 (1).]

PART VI.
—cont.
[1923, s. 16
(2).]

(b) Profits arising from the granting of annuities on human life shall be computed in accordance with the provisions applicable to income of Class D, subject, however, to the following modifications:—

- (i) such sums as belong to or are allocated to or expended on behalf of or reserved for annuitants shall be excluded in making the computation of profits, but if any sum so excluded as being reserved for annuitants ceases at any time to be so reserved and is not allocated to or expended on behalf of annuitants, that sum shall be treated as part of the profits of the company for the accounting period in which it ceased to be so reserved; 5
- (ii) in making the computation no deduction shall be allowed in respect of any expenses of management in respect of which repayment of tax may be claimed under this section; 10
- (iii) there may be set off against the profits any loss which has arisen in connection with the granting of annuities on human life for any previous year (not being a year prior to the year 1923–24), if and so far as such loss has not previously been so set off. 20

[1933, s. 33.]

(3) Where, on a claim for relief under this section for any year of charge, relief is disallowed in respect of the whole or part of the claim by reason only of the provisions of proviso (a) to subsection (1) of this section, the amount in respect of which relief has been so disallowed may be carried forward and treated for the purpose of this section as if it had been disbursed as expenses of management for any of the six following years of charge : 30

Provided that relief in respect of an amount so carried forward shall be given for the first year of charge next following, in so far as relief can be so given in accordance with the provisions of this section in respect of that amount as well as in respect of the sums actually disbursed as expenses of management for that year, and, so far as it cannot be so given, then for the next year of charge, and so on. 40

[1918, s. 33
(5).]

(4) Where a company has, in pursuance of the provisions of the next succeeding section, been exempted from liability to tax in respect of income derived from

the investments of its foreign life assurance fund, a proportionate reduction shall be made in the amount of the expenses in respect of which relief is granted under the foregoing provisions of this section.

PART VI.
—cont.

5 **211.**—(1) As respects the foreign life assurance fund of an assurance company, the following provisions shall have effect :—

Provisions as to foreign life assurance funds.

10 (a) If the income derived from property forming part of the fund includes income of Class M, the income of the Class in question shall, instead of being computed in accordance with the provisions applicable to the computation of income of that Class, be computed in accordance with the provisions applicable to the computation of income of Class O other than income from discounting transactions;

[1918, Sch. D, Case IV, r. 2; Case V, r. 3.]

20 (b) Where any securities to which subsection (1) of section 174 applies form part of the fund, and the income derived from those securities is applied for the purposes of the fund, or is re-invested so as to form part of the fund, the company shall, on a claim being made for the purpose, be exempted from liability to tax in respect of that income;

[1918, s. 46 (2); 1931 (No.2), s. 22 (2).]

25 (c) Where any income arising outside the United Kingdom and derived from investments of the fund has been remitted to the United Kingdom and invested as part of the investments of the fund in any securities to which subsection (1) of section 174 applies the company shall, on a claim being made for the purpose, be exempted from liability to tax in respect of that income.

[1918, s. 46 (3); 1931 (No.2), s. 22 (2).]

30 (2) For the purposes of this section the expression “foreign life assurance fund” means—

[1918, s. 237 (part).]

35 (a) any fund representing the amount of the liability of an assurance company under policies of life assurance and annuity contracts the holders of which reside out of the United Kingdom, being policies the proposals for which were made to the company, or contracts which

40

PART VI.
—cont.

were granted by the company, at or through a branch or agency outside the United Kingdom; or

- (b) where such a fund is not kept separate from the life assurance fund of the company, such part of the life assurance fund as represents the liability of the company under such policies and annuity contracts, estimated in the same manner as it is estimated for the purposes of the periodical returns of the company under the Assurance Companies Act, 1909. 10

9 Edw. 7,
c. 49.

Foreign life
assurance
companies.
[Sch. D,
Case III,
r. 3 (1).]

[Sch. D,
Case III,
r. 3 (2).]

212.—(1) This section applies to an assurance company, not having its head office in the United Kingdom, which carries on life assurance business through any branch or agency in the United Kingdom. 15

(2) Any such company shall for a year of charge be charged with tax in respect of an amount equal to the appropriate proportion of the aggregate income derived in the year of computation from the investments of its life assurance fund (excluding the annuity fund, if any), and that amount shall be treated as income of Class H, and the provisions relating to income of that Class shall apply accordingly, except that the assessment and charge shall be made by the Special Commissioners, and that the person chargeable shall be the company. 25

[Sch. D,
Case III,
r. 3 (4).]

(3) Where any such company has borne tax by deduction or otherwise in respect of income derived from the investment of its life assurance fund (excluding the annuity fund, if any) then—

- (a) if the amount of tax so borne is equal to or exceeds the amount chargeable under this section, no charge under this section shall be made; 30
- (b) if the amount of tax so borne is less than the amount chargeable under this section, the amount so chargeable shall be correspondingly reduced. 35

[1918, s. 33
(2) & (4);
1933, s. 33.]

(4) Any such company, whether charged with tax under this section or not, shall, on a claim being made for the purpose within one year after the expiration of 40

the year of charge, be entitled to repayment of so much of the tax borne by it as represents tax on the appropriate proportion of the expenses of management, wherever incurred, such expenses being computed in accordance with the provisions of section 210.

PART VI.
—cont.

(5) For the purposes of this section—

[Sch. D,
Case III,
r. 3 (2).]

10 the expression “appropriate proportion” means the proportion which the aggregate amount of premiums received by the company in the year of computation from policy-holders resident in the United Kingdom, and from
15 policy-holders resident elsewhere whose proposals were made to the company at or through any branch or agency in the United Kingdom, bears to the aggregate amount of all the premiums received by the company in that year :

20 Provided that in the case of an assurance company having its head office in any part of His Majesty’s dominions outside the United Kingdom, the Board may by regulation substitute some other basis for determining the appropriate proportion for the purposes of this section;

[Sch. D,
Case III,
r. 3 (2)
proviso.]

25 the expression “aggregate income” includes all income, wherever received, and whether or not the company is chargeable with tax in respect thereof;

30 the expression “year of computation” means the year preceding the year of charge, subject however to the provisions of sections 60 and 61 as to the commencement and cessation of income.

Investment companies and banks.

35 213.—(1) Where for any year of charge an investment company (that is to say, a company whose business consists mainly in the making of investments and the principal part of whose income is derived therefrom) is not, or cannot be, charged with tax in respect of the income arising from that business as being income of Class D, and the company has borne tax by deduction
40 Allowance to investment companies in respect of expenses of management.

PART VI. or otherwise in respect of income derived from its
 —cont. investments, the company shall, on a claim being made
 [1918, s. 33 ; for the purpose within one year after the expiration of the
 1933, year of charge, be entitled to repayment of so much of
 s. 31 (4).] the tax so borne by it as is equal to the amount of the 5
 tax on any sums disbursed as expenses of management
 (including commissions) for that year :

Provided that—

[1918, s. 33 (a).] (a) relief shall not be given under this section so
 (1), proviso as to make the tax borne by the company 10
 (a).] less than the tax which would have been
 borne by it if the income could have been and
 had been treated as income of Class D ;

[1918, s. 33 (b).] (b) there shall be deducted from the expenses of
 (1), proviso management the amount of the profits (if 15
 (b).] any) of the company in respect of which the
 company has not for the year of charge borne
 tax by deduction or otherwise, and which
 would have been brought into account if the
 income of the company could have been, and 20
 had been, treated as income of Class D ;

[1918, s. 33 (3).] (c) expenses of management shall not include any
 (3).] expenses in respect of which a deduction or
 relief may be allowed or claimed under
 paragraph (1) of section 14 or under section 25
 101.

[1933, s. 33.] (2) Where on a claim for relief under this section for
 any year of charge, relief is disallowed in respect of
 the whole or part of the claim by reason only of the
 provisions of proviso (a) to subsection (1) of this section, 30
 the amount in respect of which relief has been so
 disallowed may be carried forward and treated for the
 purposes of this section as if it had been disbursed as
 expenses of management for any of the six following
 years of charge : 35

Provided that relief in respect of an amount so
 carried forward shall be given for the first year of
 charge next following, in so far as relief can be so
 given in accordance with the provisions of this section
 in respect of that amount as well as in respect of the 40
 sums actually disbursed as expenses of management for
 that year, and, so far as it cannot be so given, then for
 the next year of charge, and so on.

214.—(1) Where a savings bank is not charged with tax in respect of the income arising from its business as being income of Class D, and the bank has borne tax by deduction or otherwise in respect of income derived from its investments, the bank shall, on a claim being made for the purpose within one year after the expiration of the year of charge, be entitled to repayment of so much of the tax so borne by it as is equal to the amount of the tax on any sums disbursed as expenses of management (including commissions) for that year :

PART VI.

—cont.

Allowance to savings banks in respect of expenses of management.

[1918, s. 33.]

Provided that—

(a) relief shall not be given under this section so as to make the tax borne by the bank less than the tax which would have been borne by it if the income had been treated as income of Class D ;

[1918, s. 33

(1), proviso (a).]

(b) there shall be deducted from the expenses of management the amount of profits (if any) of the bank in respect of which the bank has not borne tax by deduction or otherwise and which would have been brought into account if the income of the bank had been treated as income of Class D ;

[1918, s. 33

(1), proviso (b).]

(c) expenses of management shall not include any expenses in respect of which a deduction or relief may be allowed or claimed under paragraph (1) of section 14 or under section 101.

(2) Where on a claim for relief under this section for any year of charge, relief is disallowed in respect of the whole or part of the claim by reason only of the provisions of proviso (a) to subsection (1) of this section, the amount in respect of which relief has been so disallowed may be carried forward and treated for the purpose of this section as if it had been disbursed as expenses of management for any of the six following years of charge :

[1933, s. 33.]

Provided that relief in respect of an amount so carried forward shall be given for the first year of charge next following, in so far as relief can be so given in accordance with the provisions of this section in respect of that amount as well as in respect of the

PART VI.
—cont.

sums actually disbursed as expenses of management for that year, and, so far as it cannot be so given, then for the next year of charge, and so on.

Exemption of savings banks in respect of income from certain sources.

[1918, s. 39 (3); 1920, s. 32; Third Sch.; 1924, s. 24.]
26 & 27
Vict., c. 87.

215.—(1) Any savings bank certified under the Savings Bank Act, 1863, shall be entitled to exemption 5 from tax in respect of its income derived from its investments with the National Debt Commissioners.

(2) Any savings bank, whether so certified or not, shall, on a claim being made for the purpose, and subject to compliance with the provisions of this section as 10 to returns, be entitled to exemption from tax in respect of all of its income (except income of Class A, Class B or Class C) so far as such income is applied in the payment or credit of interest to any depositor.

(3) Where for any year of charge a savings bank 15 claims exemption under the last preceding subsection, then, if there are any depositors the interest paid or credited to whom out of income other than income derived from investments with the National Debt Commissioners exceeds fifteen pounds, the bank or a branch thereof 20 shall, not later than the first day of May following the year for which the claim is made, make a return to the inspector of the name and address of every person to whom any such sum has been paid or credited and the amount thereof. 25

[1918, Sch. D, Case III, r. 1 (e).]

(4) The interest paid or credited to a depositor by a savings bank out of income from tax in respect of which the bank is exempted under this section shall be income of Class H, but the person chargeable with tax in respect thereof shall be the depositor. 30

Liability of banks to taxation in respect of interest on war loans.

[1918, Sch. C, r. 3; Sch. D, Cases I & II, r. 14.]

216. If any person carrying on a banking business in the United Kingdom has subscribed to any loan issued by the Government of the United Kingdom for the purposes of the War, and derives interest from any securities representing such subscription, then, on a claim 35 being made for the purpose, tax shall not be charged in respect of that interest as income of Class G, or if already deducted shall be repaid, but the amount of that interest shall be included in computing the income from that business according to the provisions applicable to income 40 of Class D.

Concerns the carrying on of whose business involves the extra-ordinary use of land.

PART VI.
—cont.

217.—(1) This section applies to concerns of the following descriptions in the United Kingdom, that is to say:—

Provisions as to concerns.

[1918, Sch. A, No. III, rr. 1, 2, 3 (parts).]

- (a) mines and quarries;
- (b) iron works, alum works, salt springs and salt works;
- 10 (c) railways, tramways and other ways, roads, bridges and ferries;
- (d) canals and inland navigations;
- (e) docks, piers and harbours;
- (f) land drainage or embankment works;
- 15 (g) gas works and electricity works;
- (h) water works and water courses;
- (i) fishings;
- (j) markets and fairs;
- (k) cemeteries and burial grounds;

and any other concerns similar to any of the above in that they involve the extra-ordinary use of land in the United Kingdom.

(2) As respects land occupied and used in connection with any such concern, the annual and occupation values thereof shall not be treated as income of Class A and Class B respectively:

Provided that this provision shall not apply to—

- (a) land let by the person carrying on the concern to any other person;
- 30 (b) land separate from premises on which the principal activities of the concern are carried on and occupied and used for a purpose ancillary thereto, but, in the case of railways, only if the land is let by some other person to the person carrying on the railway;
- 35 (c) any hotel or place of public refreshment carried on in connection with any such concern.

[1926, s. 28 and 3rd Sch.]

(3) The income arising from the carrying on of any such concern shall be income of Class D, but for the purpose of computation of that income the provisions applicable to Class D shall be modified as follows:—

[1926, s. 28, and 3rd Sch.]

- 40 (a) where the concern includes a mill, factory, or other similar premises owned by the person

[1919, s. 18 (2) & (3); 1.

PART VI.
—*cont.*
1926, s. 28
and
3rd Sch.]

carrying on the concern, a deduction in respect of depreciation of those premises shall be allowed of an amount equal to one-sixth of the rental value of the premises, such rental value to be computed in like manner as rental value is to be computed for the purposes of income of Class A : 5

- (b) no deduction shall be allowed in respect of the annual value or the occupation value of any land the annual or occupation value whereof is, by virtue of the last preceding subsection, not to be treated as income of Class A or Class B. 10

Tax on
rent and
royalties
for land,
etc., used
in con-
nection
with
concerns.
[1934, s. 21.]

218.—(1) Where any rent or royalty is payable in respect of any land to which this section applies, or in respect of any easement, and either— 15

- (a) the land is occupied and used, or the easement is enjoyed and used, in connection with a concern within the meaning of the last preceding section; or
(b) the lease or other agreement under which the rent or royalty is payable provides for recoupment by way of reduction of royalties or payments of a similar nature in the event of the land or easement being so used, 20

the rent or royalty shall be treated as if it were income of Class J, and such rent or royalty shall be included amongst the payments the deduction of which is, by proviso (3) to section 24, prohibited in computing the profits of a business. 25

The land to which this section applies is land the annual value of which is, by reason of the provisions of section 217, not to be treated as income of Class A, or land which is not in the occupation of any person. 30

(2) If and so far as the rent or royalty is rendered in produce of the concern it shall be treated as if it were income of Class K and the amount of the income were the value of the produce so rendered. 35

(3) Where any rent or royalty is payable in respect of any land which is not in the occupation of any person, or of any easement, and such land or easement is intended to be used in connection with such a concern, and there is no such provision for recoupment as aforesaid, the rent or 40

royalty payable pending such use shall be treated as if it were income of Class K. PART VI.
—cont.

(4) In this section—

5 “easement” includes any right, privilege or benefit in, over or derived from land;

10 “rent or royalty” includes any rent service, rent-charge, fee farm rent or other rent, or any toll duty or other annual or periodical payment in the nature of rent, whether payable in money or money’s worth or otherwise, but does not include any payment which is income of Class C by virtue of paragraphs (a) to (d) of section 18.

Mines.

15 219. If a lessor of a right to work minerals in the United Kingdom has borne tax in respect of rent or royalties received by him for any year of charge, he shall, on a claim being made for the purpose within twelve months after the expiration of that year, be
20 entitled to repayment of so much of the tax so borne by him as represents tax at the standard rate on any sum disbursed by him exclusively and necessarily as expenses of management or supervision of those minerals in that year:

25 Provided that tax shall not be repaid—

(a) unless tax has been paid in respect of the total amount of the rent or royalties so received; or

(b) in respect of any disbursements so far as they have been deducted in computing income of
30 any Class.

35 220.—(1) The income arising from any mine which is carried on by a company of adventurers shall be returned, computed, and assessed, and tax in respect thereof charged, in one sum, but if any of the adventurers so requests, and furnishes the inspector with a declaration of his share in the concern, he may be separately charged with tax in respect of a proportion of the income corresponding to that share.

40 (2) If any adventurer is separately charged in pursuance of the preceding subsection, he may claim that

Allowance for management expenses to owner of mineral royalties.

[1922, s. 26.]

Special provisions as to companies of adventurers.

[1918, Sch. A, No. III, r. 7 (1);

1926, s. 28, and 3rd Sch.]

PART VI. the amount of any loss sustained by him in connection
 —cont. with one or more of such mines shall be set off against
 [1918, the amount of the income in respect of which he would
 Sch. A, otherwise be liable to be charged in connection with any
 No. III, other such mine, and in such case a single assessment of 5
 r. 7 (2).] his income from all such mines shall be made.

Railways.

Tax on income of railway companies. [1918, ss. 124, 157 (3); Sch. E, r. 7 (1).]

221.—(1) For the purposes of this and the next succeeding section “railway” means a railway situate within the United Kingdom and “railway company” 10 means a company carrying on such a railway.

(2) Assessments of income of a railway company, other than income of Class A or Class B, and of income in respect of which a railway company is chargeable with tax under the next succeeding section, shall be made by 15 the Special Commissioners.

(3) The tax with which a railway company is charged, other than tax in respect of income of Class A or Class B and income in respect of which the company is chargeable by virtue of the next succeeding section, 20 shall be paid by four quarterly instalments in each year, payable on or before the twentieth day of June, the twentieth day of September, the twentieth day of December and the twentieth day of March.

This subsection shall not apply in the case of a railway 25 situated wholly in Scotland.

Tax on income of railway employees. [1918, Sch. E, r. 7; 1922, ss. 18 (3), 19; 1927, s. 45 (7).]

222.—(1) In respect of income arising from any office or employment held under, and any pension paid by, a railway company, the railway company shall be the person chargeable with tax, and shall have the like right 30 of deducting standard tax as if the income were official pay or an official pension within the meaning of section 183, and the provisions of that section as to making deductions, including the provisions as to appeals against deductions, shall apply accordingly: 35

Provided that this subsection shall not apply to the wages of employees of a railway company who are weekly wage-earners within the meaning of section 177.

(2) Where a person has ceased to hold an office or employment under a railway company, or has ceased to 40 be entitled to a pension paid by a railway company, such

part of the tax charged upon the company under this section in respect of the emoluments of that office or employment or that pension as cannot be deducted out of the emoluments shall be collected from that person, 5 or from his personal representative, as the case may be, as if he had originally been charged with the tax.

PART VI.
—cont.

Superannuation contributions and funds.

223.—(1) For the purposes of this and the seven succeeding sections an approved fund means a super- 10 annuation fund or part of a superannuation fund approved by the Board in accordance with this section. [1921, s. 32 (3).] Approval of funds.

(2) A superannuation fund may be approved if, but not unless, the following conditions are satisfied:—

- (a) the fund is held under irrevocable trusts;
- 15 (b) the fund is established in connection with the carrying of business, or the exercise of functions, wholly or partly in the United Kingdom;
- (c) the fund has for its sole or main purpose the 20 provision of annuities—
 - (i) for persons employed in connection with such business or functions, on their retiring at a specified age or on their becoming incapacitated at some earlier age;
 - 25 (ii) for the widows, children or dependants of persons who are or have been so employed, on the death of those persons;
- (d) the person carrying on the business or exercising the functions (in the sections above mentioned referred to as “the employer”) is a contributor 30 to the fund;
- (e) the fund is recognised by the employer and by the persons so employed:

Provided that if—

- 35 (i) the business is not carried on, or the functions are not exercised, wholly in the United Kingdom, or the employer is not resident in the United Kingdom; or

PART VI.
—cont.

- (ii) the provision of such annuities as aforesaid is not the sole purpose of the fund; or
- (iii) the rules of the fund allow the return of contributions made to the fund;

the Board may, as they think fit, approve the fund as 5
a whole or as to part only thereof, and may attach to
their approval any further conditions.

[S.R. & O.,
1921,
No. 1699,
Regs. 3 & 4.]

(3) If at any time a fund or part of a fund which
has been approved ceases to comply with any of the
conditions mentioned in this section, or subject to which 10
the approval was given, the Board may withdraw their
approval as from such date as may be specified in the
withdrawal as being the date at which any such conditions
ceased to be complied with, and as from that date the
fund, or part of the fund, shall cease to be an approved 15
fund.

Allowances
to em-
ployees.

[1921, s. 32
(1).]

[1922, s. 31
(1).]

224.—(1) In computing the income of Class E
or Class N of an individual holding or exercising an office
or employment, there shall be deducted the amount of
any ordinary contributions to an approved fund or of 20
any statutory contributions made by him for the year of
computation :

Provided that in the case of income of Class N,
deductions shall be made only if and so far as the con-
tributions are disbursed by means of payments in or 25
remittances from the United Kingdom.

(2) In this section—

[S.R. & O.,
1921,
No. 1699,
Reg. 5.]

(a) the expression “ordinary contribution”
means a periodic contribution, fixed in
amount, or calculated on some definite basis by 30
reference to earnings;

[1922, s. 31
(1).]

(b) the expression “statutory contribution” means
a contribution required by any public general
Act of Parliament to be made towards the
expense of providing, otherwise than out of 35
a fund established for the purpose, a pension
or gratuity payable under that Act to the
contributor on his retirement, or on his
death to his widow, children or dependants
or to his personal representative. 40

(3) This section does not apply to any contribution to an approved fund in respect of which an allowance may be obtained under section 90.

PART VI.
—cont.
[1921, s. 32
(1) (b).]

225.—(1) If a contribution to an approved fund is made by the employer, then, in computing his income of Class D arising from the business in connection with which the fund is established—

Allowances to employers.
[1921, s. 32
(1).]

(a) if the contribution is an ordinary contribution, the amount thereof shall be allowed as a deduction in the accounting period in which it is paid;

(b) if the contribution is not an ordinary contribution, then, according as the Board may direct, the amount thereof shall either—

[1921, s. 32
(1) (a).]

(i) be allowed as a deduction for the accounting period in which it is paid; or

(ii) be apportioned to such accounting periods as the Board think proper, and the amount apportioned to any accounting period be allowed as a deduction for that period.

(2) In this section the expression "ordinary contribution" means a periodic contribution fixed in amount or calculated on some definite basis by reference to the earnings or contributions of the members of the fund, or to the number of such members.

[S.R. & O.,
1921,
No. 1699,
Reg. 5.]

226. Exemption from tax shall, on a claim being made for the purpose, be allowed in respect of the income derived from investments or deposits forming part of an approved fund.

Exemption of income of approved funds.
[1921, s. 32
(1).]

227. Where a pension is paid out of an approved fund, the person chargeable with tax shall be the trustees or other persons having the management of the fund:

Charge of tax on pensions paid out of approved fund.

Provided that—

(a) the Board in any case or class of cases may direct that this section shall not apply where the person entitled to the pension is resident in the United Kingdom;

[1921, s. 32
(2); S.R. & O., 1921,
No. 1699,
Reg. 9.]

(b) where the services in respect of which the pension is payable were performed wholly

PART VI.
—cont.

outside the United Kingdom, and the person entitled to the income does not reside in the United Kingdom, that person shall be the person chargeable.

Liability to tax in respect of repaid contributions, and sums paid in commutation of pensions, etc.

[1921, s. 32
(4) (a).]

228. The approval of a superannuation fund under this Act, in addition to conferring such reliefs as aforesaid, shall give rise to the following liabilities, that is to say:—

- (a) contributions (including interest) repaid to contributors, and lump sums paid in commutation or in lieu of pensions, shall be treated as income of the year in which they are repaid or paid; 10
- (b) tax in respect thereof shall be chargeable on such persons, in such manner, at such rate or rates (not exceeding the standard rate), and subject to such rights of deduction, as the Board may, by regulation under section 230, prescribe. 15

Liability in respect of repaid statutory contributions.

[1922,
s. 31 (1)
(proviso).]

229.—(1) Where statutory contributions within the meaning of section 224 are repaid to any individual under the authority of the Act under which they were paid, the person by or through whom the repayment is made— 20

- (a) shall on making the repayment deduct an amount equal to the total amount of standard tax which would have been paid in respect of those sums if they had not been allowed as deductions under section 224; and 25
- (b) if any such contributions are repaid with any interest thereon, shall also deduct therefrom an amount equal to the total amount of standard tax which would have been paid in respect of that interest if it had actually been paid to that individual in the several years in respect of which it is paid. 30

(2) The person by or through whom the repayment is made shall be charged with the tax which he is entitled to deduct under this section as if the payments from which the tax is so deductible were income of Class H, and the amount so deductible were the tax payable in respect thereof. 35

(3) Any person having the custody of any assessment book shall, notwithstanding any obligation as to secrecy, furnish to any person by or through whom any such repayment is to be made such particulars as may be necessary to enable him to comply with the provisions of this section.

PART VI.
—cont.
[1922, s. 31
(2).]

230. The Board may make regulations for the purpose of carrying into effect the provisions of the seven foregoing sections and, in particular, without prejudice to the generality of the foregoing provision—

(a) for requiring the trustees or other persons having the management of an approved fund, or the employer, to furnish to the Board such information as the Board may reasonably require;

(b) for providing for the notification of withdrawal of approval of a fund or part of a fund, and for any matters consequential thereon;

(c) for apportioning the employer's contribution where the approved fund is established in connection with two or more businesses, or in connection both with one or more businesses and the exercise of other functions.

Power of Board to make regulations as to approved funds.
[1921, s. 32
(4).]

Rationalisation contributions.

231.—(1) Where a person carrying on a business pays, exclusively for the purposes of the business, a contribution in furtherance of a scheme which is for the time being certified by the Board of Trade under this section, the contribution shall, in so far as it is paid in furtherance of the primary object of the scheme, be allowed to be deducted as an expense in computing the profits of the business.

Deduction from profits of contributions paid to rationalise industry.
[1935, s. 25.]

(2) The Board of Trade shall certify a scheme under this section if they are satisfied—

(a) that the primary object of the scheme is the elimination of redundant works or machinery or plant from use in an industry in the United Kingdom; and

(b) that the scheme is in the national interest and in the interest of the said industry as a whole; and

PART VI.
—cont.

- (c) that the persons engaged in the said industry who are liable to pay contributions in furtherance of the primary object of the scheme by agreement between them and the body of persons carrying out the scheme are in number substantially 5 representative of the industry.

References in this subsection to an industry in the United Kingdom shall include references to the business carried on by owners of ships or of a particular class of ships, wherever the business is carried on, and in relation 10 to that business references in this subsection to works or machinery or plant shall include references to ships.

(3) The Board of Trade shall cancel any certificate granted under this section if they cease to be satisfied as to any of the matters referred to in the last preceding 15 subsection.

(4) In the event of the repayment, whether directly or by way of distribution of assets on a winding-up or otherwise, of a contribution or any part thereof which has been allowed to be deducted under this section, the 20 deduction of the contribution, or of so much thereof as has been repaid, shall be deemed to be an unauthorised deduction in respect of which an additional assessment shall be made under section 278, and notwithstanding anything contained in this Act the time within which 25 such an additional assessment and any consequential assessment to surtax may be made shall not expire before the end of the third year following the year of charge in which the repayment was made.

(5) For the purpose of this section a sum received by 30 any person by way of repayment of contributions shall be deemed to be by way of repayment of the last contribution paid by him, and, if the sum exceeds the amount of that contribution, by way of repayment of the pen-ultimate contribution so paid, and so on. 35

(6) The Board of Trade may at any time require the body of persons carrying out a scheme certified under this section to produce any books or documents of whatever nature relating to the scheme, and, if the requirement is not complied with, that Board may cancel the certificate. 40

(7) Anything required or authorised to be done under this section by the Board of Trade may be done by the

President, a secretary, under-secretary, or assistant secretary of the Board of Trade, or any person authorised in that behalf by the President of that Board. PART VI.
—cont.

(8) In this section, the expression "contribution," in relation to a scheme, does not include a sum paid by a person by way of loan or subscription of share capital, or in consideration of the transfer of assets to him, or by way of penalty for contravening or failing to comply with the scheme.

10 *Revocable settlements, etc.*

232.—(1) Where by virtue or in consequence of any settlement the settlor, or the wife or husband of the settlor, has at any time in the year of charge been able, by the exercise of a power of revocation, a power of appointment, or any other power, to obtain for the settlor the beneficial enjoyment of any income, that income shall for the purposes of this Act be treated as income of the settlor: Income under certain revocable settlements to be treated as income of settlor.

[1922, s. 20
(1) (a).]

20 Provided that this subsection shall not apply where for the exercise of such a power there is required— [1922, s. 20
(1) (a),
proviso (ii).]

(a) the consent of some person other than the wife or husband of the settlor; or [1922, s. 20
(1) (a).]

25 (b) the consent of the wife or husband of the settlor, and the settlor and his wife or her husband are living apart, either by agreement or under an order of a court of competent jurisdiction. [1922, s. 20
(1) (a),
proviso (i).]

(2) In this and in the three next succeeding sections the expression "settlement" includes any disposition, trust, covenant, agreement, or arrangement made or entered into directly or indirectly by any person, and that person is referred to as the settlor. [1922, s. 20
(5) (part).]

233.—(1) Where by virtue or in consequence of any settlement (not being a settlement for valuable and sufficient consideration) any income is payable to or for the benefit of a person other than the settlor for a period which cannot exceed six years, that income shall for the purposes of this Act be treated as income of the settlor so long as he lives and the income is so payable. Income under settlements for less than six years.
[1922, s. 20
(1) (b).]

PART VI. (2) This section does not apply to a settlement
 —cont. made before the second day of May, nineteen hundred
 and twenty-two.

Income
 under settle-
 ments on
 children.

[1922, s. 20
 (1) (c).]

[1922, s. 20
 (1) (c),
 proviso (i).]

234.—(1) Where—

(a) by virtue or in consequence of any settlement 5
 any income is payable to or for the benefit of
 a child of the settlor for some period less
 than that of the joint lives of the child and
 the settlor; and

(b) the settlement does not require that, on the 10
 expiration of the period during which that
 income is payable to or for the benefit of the
 child, the capital from which the income is
 derived shall be held on trust absolutely for
 or be transferred to the child; 15

then, so long as the income is so payable, and the child is
 an infant and unmarried, and the settlor is alive, the
 income shall for the purposes of this Act be treated as
 income of the settlor.

[1922, s. 20
 (1) (c),
 proviso (ii).]

(2) In determining whether income is payable to 20
 or for the benefit of a child for a period less than
 the joint lives of the child and the settlor, no regard
 shall be had to any provision contained in the settlement
 by which the payment of the income to or for the benefit
 of the child is to cease in the event of the child becoming 25
 bankrupt or executing an assignment of or charge upon
 the income.

[1922, s. 20
 (1) (c).]

(3) This section does not apply to a settlement made
 before the sixth day of April, nineteen hundred and
 fourteen. 30

[1922, s. 20
 (5) (part).]

(4) In this section "child" includes stepchild and
 illegitimate child.

Rights *inter*
se of settlor
 and trustees.
 [1922, s. 20
 (2).]

235.—(1) Where in consequence of either of the
 two last preceding sections a settlor becomes chargeable 35
 with, and has paid, any tax in respect of any income, he
 shall be entitled to recover the amount so paid from any
 trustee or other person to whom the income is payable
 by virtue or in consequence of the settlement; and for
 that purpose may require from the Commissioners a
 certificate specifying the amounts of the income in 40

respect of which the tax was paid, and of the tax paid, and any such certificate shall be conclusive evidence of those amounts. PART VI.
—cont.

(2) (a) Where a settlor obtains on account of any allowance or relief a repayment of tax in excess of that which he would have obtained but for his liability to tax under either of the two last preceding sections, an amount equal to the excess shall be paid by him to the trustee or other person to whom the income is payable by virtue of the settlement, and where there are two or more such persons shall be paid to them in such apportioned amounts as the case requires.

(b) If any question arises as to the amount, or as to the apportionment of the amount, directed by this subsection to be paid, that question shall be decided by the Commissioners, whose decision thereon shall be final.

(3) Any income which is by either of the two last preceding sections directed to be treated as the income of any person shall be treated as the highest part of the total income of that person.

Government securities.

236.—(1) The Treasury may direct that any war loan securities shall be issued or shall be deemed to have been issued subject to the condition that interest thereon shall be paid without deduction of tax, or that securities issued under section sixty of the Finance Act, 1916, in exchange for war loan securities, shall be issued subject to such a condition, and where such a direction is given the interest shall be so paid accordingly.

(2) For the purposes of this section "war loan securities" mean Exchequer bonds issued between the fourth day of August, nineteen hundred and fourteen, and the twenty-eighth day of February, nineteen hundred and twenty-two, and securities issued under the War Loan Acts, 1914 to 1919, or any Act amending those Acts.

237.—(1) Where the interest on any securities issued by the Government of the United Kingdom is, under the conditions subject to which the securities were issued or deemed to be issued, payable without deduction of tax, the person inscribed as the holder thereof may

Payment of interest on certain Government securities without deduction of tax.

[1918, s. 49 (2); 1931 (No. 2), s. 23 (2).]
6 & 7 Geo. 5, c. 24.

Deduction of tax from interest on certain Government securities at

PART VI. make an application to the Bank requesting that tax be
 —cont. deducted from the interest on the securities before
 request of holder. payment thereof.

[1921, s. 27.]

(2) Where such an application is made, tax in respect of the interest shall, so long as the applicant remains inscribed as the holder of the securities, or until the application is withdrawn, be charged and deducted as if the securities had not been issued subject to such condition as aforesaid. 5

(3) An application under this section made less than two months before the date on which any interest is payable shall have effect only as regards payments of interest subsequent to the payment falling due on that date. 10

(4) An application under this section may at any time be withdrawn by notice to the Bank, but an application so withdrawn shall, notwithstanding the withdrawal, continue to have effect as regards any interest payable less than two months after the date on which the notice is received by the Bank. 15 20

(5) Where any securities to which this section applies are held upon trust, the holder of the securities may make an application under this section in respect thereof without the consent of any other person, notwithstanding anything in the instrument creating the trust. 25

[1919, s. 25;
1920, s. 30.]

(6) On an application or the withdrawal of an application under this section taking effect, section 61 and section 60 shall apply as if at that time there had been a cesser of income from one source and a commencement of income from another source. 30

(7) An application or notice of withdrawal under this section must be in such form as the Bank, with the approval of the Treasury, may require.

(8) For the purposes of this section the expression "the Bank" means the Bank of England or the Bank of Ireland as the case requires; the expression "inscribed" means inscribed in the books of the Bank, and includes "registered." 35

Special provisions relating to the

238. Where in pursuance of an arrangement for the exchange of Government securities under section sixty of the Finance Act, 1916, the Treasury gives 40

directions that this section shall have effect, any person carrying on a business consisting wholly or partly in dealing in securities who in pursuance of the arrangement exchanges securities to which he is beneficially entitled 5 for other securities (whether or not any additional consideration is given for the exchange) shall, unless he gives notice in writing to the inspector not later than the end of the year of charge next following the year of charge in which the exchange takes place of his desire not to be 10 so treated, be treated for purposes of tax (except as regards tax payable in respect of interest) both after and at the time of exchange, as if the exchange had not taken place, and in that case the produce of any subsequent realisation of the securities received by him 15 under the exchange (together with any additional consideration or the appropriate part of any additional consideration received by him thereunder) shall be treated as the produce of the realisation of the corresponding securities surrendered by him under the exchange.

PART VI.
—cont.
exchange and continuance of Government securities held by dealers in securities.
[1931 (No. 2), s. 10.]
6 & 7 Geo. 5, c. 24.

20 *Expenses of management of patent royalties.*

239. The owner of any patent granted in the United Kingdom who has borne tax by deduction in respect of any royalty or other sum payable in respect of the use of the patent shall, on a claim being made for the 25 purpose within twelve months after the expiration of any year of charge, be entitled to repayment of so much of the tax borne by him for that year of charge as represents tax at the standard rate for that year on any sum disbursed by him for that year exclusively and 30 necessarily—

Allowance for expenses in connection with patent royalties.
[New—Based on 1922, s. 26.]

- (a) for the purpose of maintaining his patent;
- (b) in pursuance of any liability (not being a liability of a capital nature) imposed by the contract under which the royalty or such other sum as 35 aforesaid is payable, as part of the consideration for such payment :

Provided that tax shall not be repaid—

- (i) unless tax has been borne in respect of the total amount of the royalty or other sum received; or
- 40 (ii) in respect of any disbursements so far as they have been deducted in computing income of any Class; or

PART VI.
—cont.

- (iii) if and so far as it has been repaid in connection with any other royalty or other sum paid for the use of the same patent.

Wear and tear relief to lessors, etc., of plant.

Wear and tear relief to lessors, etc., of plant. [1918, Sch. D, Cases I & II, r. 6 (5); 1932, s. 18.]

240.—(1) Where a person carrying on a business has the use for the purpose of that business of any machinery or plant belonging to some other person, and—

- (a) by the terms under which the user is allowed the burden of the wear and tear of the machinery or plant falls upon the person to whom it belongs; and
10
(b) the person to whom it belongs has borne tax by deduction in respect of any rent or other payment paid for the use of the machinery or plant,
15

the last-mentioned person shall be entitled, on a claim being made for the purpose, to be repaid such part of the tax so borne by him as is equal to tax at the standard rate on the amount representing the diminution of the value of the machinery or plant by reason of wear and tear during the year of charge for which the rent or other payment was paid, increased by one-tenth of such amount:
20

Provided that no such repayment shall be allowed for any year of charge if and so far as the sum in respect of which it would be made, when added to the sums in respect of which previous repayments have been made, would exceed the actual cost of the machinery or plant to, or other consideration given therefor by, the person to whom it belongs, together with the amount of the expenditure (if any) in the nature of capital expenditure upon the machinery or plant incurred by that person subsequently to the date of acquisition.
30

(2) A claim under this section must be made within twelve months of the expiration of the year of charge.
35

Provisions as to excess profits duty, etc.

Provisions as to excess profits duty, etc.

241.—(1) Where any person has received repayment of any amount previously paid by him by way of excess profits duty, corporation profits tax, or munitions exchequer payments, the amount repaid shall be treated
40

as income of Class K for the year of charge in which the repayment is received, and for the purposes of this provision any repayment of excess profits duty made under the Second Schedule to the Finance Act, 1921, shall be treated as a repayment of duty, and any set-off under that Schedule shall be treated as a repayment of duty made at the date when the amount of the set-off is ascertained:

PART VI.
—cont.
[1918, Sch. D, Cases I and II, r. 4 (1) and (4); 1920, s. 31; 1921, 2nd Sch., Part IV, para. 7.]
11 & 12 Geo. 5, c. 32.

- 10 Provided that for the purposes of this subsection "excess profits duty" shall not include so much of that duty as became chargeable by virtue only of the provisions of the Finance Act, 1918, relating to profits arising from the sale of trading stock otherwise than in the ordinary course of trade. [1918, Sch. D, Cases I and II, r. 4 (1), proviso.]
- 15 (2) In the computation, under section 24, of the profits of any business, no deduction shall be allowed in respect of any interest paid on arrears of excess profits duty or munitions exchequer payments. [1922, s. 29.]
- 20 (3) For the purposes of this section "munitions exchequer payments" means any sums paid or payable into the Exchequer under section four of the Munitions of War Act, 1915, on account of the excess of the net profits of a controlled establishment. [1918, Sch. D, Cases I and II, r. 4 (6).]
5 & 6 Geo. 5, c. 54.

Custodian of enemy property.

- 25 242.—(1) Where under or by virtue of the Trading with the Enemy Acts, 1914 to 1918, or any Order in Council made under any Treaty of Peace Act, any stocks, shares or securities to which this section applies have become vested in any custodian or administrator of enemy property, any question of liability to tax in respect of the interest, dividends or annual payments derived therefrom shall be determined as if they had not become so vested. Income from securities vested in custodian or administrator of enemy property. [1925, s. 20.]
- 30 (2) This section applies to stocks, shares and securities of such a nature that interest, dividends, and annual payments arising therefrom are income of Class L.
- 35 (3) For the purposes of this section the expression "Treaty of Peace Act" means any Act for carrying into effect any treaty of peace made after the late war between His Majesty and any other Power.
- 40

PART VII.

ASSESSMENT AND CHARGE.

PLACE OF ASSESSMENT AND CHARGE.

Place of
assessment
and charge.

243.—(1) For the purpose of determining the place in which any assessment is to be made, the following provisions shall have effect :—

[1918,
Sch. A,
No. IX,
r. 1.]

- (a) The assessment in the case of income of Class A and Class B shall be made in the parish in which the land is situated :

[1918,
Sch. A,
No. IX,
rr. 6, 7 and
8.]

Provided that where the land to which an assessment relates extends into more than one parish, the assessment shall be made in that one of those parishes in which the occupier resides, but if the occupier is not resident in any of those parishes or occupies a dwelling-house extending into more than one of those parishes, the assessment may be made in any one of those parishes :

[1918,
Sch. A,
No. XI,
r. 1.]

- (b) The assessment in the case of tithe rentcharge, or other rentcharge in lieu of tithe, shall be made in the parish in which the land out of which the rentcharge issues is situate :

[1918,
Sch. D,
Misc., r. 4
(1).]

- (c) The assessment in the case of income of Class D may be made in any parish in which, in the year of charge or in the year in which the assessment is made,—

(i) the head office, or other the place or principal place where the business is carried on, is or was situated ; or

(ii) the person chargeable usually resides or resided :

[1918,
Sch. E,
r. 18 (5) ;
1922, s. 18
(4).]

- (d) The assessment in the case of income of Class E may be made in any parish in which, in the year of charge or in the year in which the assessment is made,—

(i) the office or employment is or was held or exercised ; or

(ii) the person chargeable usually resides or resided :

[1918,
Sch. D,
Misc., r. 4
(2)-(4).]

- (e) The assessment in the case of any other income may be made in any parish in which, in the year of charge or in the year in which the assessment is made, the person chargeable usually resides or resided.

(f) Where the assessment is to be made by reference to the parish in which the person chargeable usually resides or resided, then—

PART VII.
—cont.
[1918,
Sch. D.
Misc., r. 4
(3).]

5 (i) if there are two or more parishes in which such person usually resides or resided, the assessment may be made in any of those parishes;

[1918,
Sch. D,
Misc., r. 4
(5) & (6).]

10 (ii) if there is no parish in the United Kingdom in which such person usually resides or resided, the assessment may be made in any parish in which he happens to be or to have been during the year of charge or during the year in which the assessment is made.

15 (2) Where the assessment results in a charge of tax, the charge shall be made in the place where the assessment is made.

(3) If—

[1918, s. 97
(4).]

(a) a doubt arises as to the parish in which an assessment or charge ought to be made; or

20 (b) an assessment or charge has been, or is liable to be, made in two or more parishes,

the Board may order that the assessment or charge shall be made in such parish as appears to them to be proper.

25 (4) Nothing in this section shall apply to assessments made by the Special Commissioners or Commissioners appointed under sections 354, 355 or 356.

RETURNS.

30 244. Every assessor shall, before such date as the Commissioners may direct, make out as regards his area and deliver to the inspector a list containing—

Preliminary
duties of
assessors.

(a) the names and addresses of all persons to whom notices ought to be given under this Part of this Act; and

[1918,
s. 108;
1927,
5th Sch.,
Part III.]

35 (b) the names and addresses of all persons who are chargeable with tax,

and certified by him to be to the best of his knowledge correct and complete.

40 245.—(1) Subject to the provisions of the next succeeding section relating to returns as to the annual value of land, the inspector may at any time after the commencement of any year of charge give to any

General
power to
require
returns.

PART VII. person within the limits within which he acts a notice
 —cont. requiring that person to deliver to the inspector any return
 [1918, s. 99; which is specified in the notice and which that person is
 1927, s. 43.] by virtue of this Part of this Act required to make.

[New: based
 on 1927,
 s. 44 (1).]

(2) Where any person chargeable with tax has not 5
 received a notice before the thirtieth day of September
 in any year of charge, it shall be his duty to give notice
 to the inspector that he is so chargeable.

[1918, Gen.
 r. 21 (2).]

(3) Where a person by or through whom a payment 10
 is made is liable to be separately charged with tax under
 section 72 in respect thereof or any part thereof, he shall
 forthwith give to the Board notice of his liability.

Returns as
 to annual
 value of
 land.

[1918,
 ss. 99 and
 100.]

246.—(1) In the case of income of Class A and
 Class B—

(a) for a year of re-valuation the assessor appointed 15
 under paragraph (1) of section 260 shall as
 respects any land within his area give to the
 occupier of the land notice in writing to deliver
 to him a return containing such particulars
 relating to the land as may be prescribed: 20

Provided that—

(i) where the person chargeable with
 tax in respect of income of Class A arising
 from the land is some person other than
 the occupier, a notice shall also be given 25
 to such other person;

[1918,
 s. 109 (a).]

(ii) if, in any case, the assessor has
 neglected to give such a notice, the inspector
 may give the notice;

[1918,
 Sch. A,
 No. IV,
 r. 5.]

(iii) it shall not be obligatory for the 30
 assessor to give such a notice where the
 annual value of the land appears to be
 under ten pounds unless he is required to
 do so by the inspector;

[1930,
 s. 32.]

(iv) in London, the inspector acting as 35
 assessor shall not give any such notice
 where a return has been transmitted to him
 under paragraph (1) of section 262 and he
 is satisfied that the return contains all the
 particulars necessary for making a correct 40
 provisional assessment in respect of the
 income arising from the land to which the
 return relates;

(b) for any other year of charge the inspector acting as assessor may at any time after the commencement of the year give to any such person such a notice as aforesaid. PART VII.
—cont.

5 (2) It shall be the duty of the occupier or other person to whom notice is given under this section to deliver to the assessor, or to the inspector acting as assessor, within the time limited by the notice, a return of the particulars specified in the notice.

10 247.—(1) It shall be the duty of any person to whom a notice for that purpose is given to deliver to the inspector within the time limited by the notice a return of the income (other than income of Class A and Class B) which arises from each or any source, and in respect of which he is the person directly chargeable with standard tax, such income being computed as respects income of each Class in accordance with the provisions applicable to that Class : Returns as to income of Classes other than Class A and Class B.
[1918, s. 100.]

20 (1) of section 46, to be computed on such basis as the Commissioners think just, the return shall state the basis on which the amount of the income in the return has been computed. [1918, Sch. D, Case VI, r. 1.]

25 (2) Any person to whom such a notice is given shall make such a return as aforesaid whether or not he is liable to pay any tax.

30 (3) The liability to make a return under this section shall, in the case of an individual, be in addition to and not in substitution for the liability under the next succeeding section, but the Board in prescribing forms under this Part of this Act shall secure that as far as may be possible no person shall be required to make more than one return annually of the sources of his income and the amount derived therefrom. [1927, s. 43 (3).]

35 248.—(1) It shall be the duty of any individual to whom a notice for that purpose is given, whether or not he is liable to pay any tax, to deliver to the inspector within the time limited by the notice a return as to his income from all sources, showing :— Returns as to income from all sources.
[1918, ss. 27 and 207;
5th Sch., No. XVII;
1927,
s. 43 (1).]

40 (a) (i) the income (computed according to the provisions of this Act) in respect of which he is

PART VII.
—cont.

directly chargeable with standard tax for the year of charge :

Provided that where, in the case of any income, the assessable amount thereof is, in accordance with those provisions, to be computed by reference to the year of charge, the amount to be included in the return shall be the assessable income for the year preceding the year of charge :

(ii) the income (computed according to the provisions of this Act) in respect of which he is liable to bear, by deduction or otherwise than by direct charge, tax at the standard rate for the year preceding the year of charge :

(iii) the income (computed according to the provisions of this Act), which became due and payable to him in the year preceding the year of charge, free of standard tax or without such deduction of tax as is authorised by section 77,

distinguishing in each case the amounts derived from different sources ;

(b) The payments from which he is entitled to deduct tax at the standard rate for the year preceding the year of charge, distinguishing the nature of the several payments, and the amount thereof, or, in the case of rent, the amount of the rent or of the annual value of the land, whichever is the less.

(2) Where such a notice is given to any individual he shall, if so required by the notice or by a supplementary notice given by the inspector, include in his return, or deliver a separate return containing, the names and addresses of the several persons from whom any income mentioned in sub-paragraphs (ii) and (iii) of paragraph (a) of the preceding subsection is receivable.

(3) For the purposes of this section " income " and " payments " mean income to which a person is entitled, and payments which a person is liable to make, on his own behalf and not in a fiduciary capacity.

249.—(1) Every person who, in whatever capacity, is in receipt of any income or other assets, not being assets of a capital nature, belonging to any other person shall, whenever required to do so by a notice for that purpose, deliver to the inspector, within the time limited by the notice, a return containing :—

(a) a statement of all such assets;

(b) the name and address of the person to whom the assets belong;

10 (c) if the person to whom the assets belong is an infant or a married woman or a person of unsound mind, or is not resident in the United Kingdom, a statement to that effect, and, if such person is a married woman, a statement whether or not she is living with her husband.

15 (2) If the person making the return is one of several persons jointly in receipt of assets, the return shall contain a statement to that effect and a list of the names and addresses of all those persons.

20 (3) A trustee who has authorised the receipt by the person beneficially entitled thereto, or by the agent of that person, of any income which is payable to the trustee, or which is derived from property vested in the trustee, shall, for the purpose of this section, be treated as in receipt of that income.

(4) Where—

(a) a trustee has given such authority as aforesaid and the income is actually received in accordance with that authority; or

30 (b) the person in receipt of the income receives it as agent for a person beneficially entitled thereto, who is resident in the United Kingdom and who is not an infant, a married woman or a person of unsound mind,

35 such trustee or person shall not, if he delivers such a return as is required by this section, be required to do any other act for the purpose of enabling the person beneficially entitled to the income to be charged beyond giving evidence or producing documents, if required, in pursuance of the provisions of Part VIII of this Act.

250.—(1) Where the person to whom notice is given under section 246 or section 247 is a person who is chargeable with tax in respect of the income of another

PART VII.

—cont.

Returns by persons in receipt of assets belonging to others.

[1918, s. 103.]

Returns by persons chargeable

PART VII.
—*cont.*
on behalf
of others.
[1918,
ss. 101; 107
(3).]

person, it shall be his duty to deliver such a return of the income in respect of which he is so chargeable as he would be required to deliver if the income were income in respect of which he is chargeable on his own account.

(2) Every such return shall be delivered within the time limited by the notice or within such extended time as the Commissioners may in any particular case allow. 5

(3) Where two or more persons are liable to be charged with tax in respect of the income of the same person one return only shall be required, which may be made by them jointly, or by any one or more of them. 10

Returns as
to em-
ployees.
[1918,
s. 105;
1927, s. 43
(2); 1931
(No. 2),
s. 8.]

251.—(1) Every employer when required to do so by notice for that purpose given by an inspector shall, within the time limited by the notice, deliver a return containing :— 15

- (a) the names and addresses of the persons employed by him during the year preceding the year of charge; 15
- (b) the payments made to those persons in respect of that employment for that preceding year; 20
- (c) in the case of persons who entered or left the employment in the course of that preceding year, the dates on which they entered or left the employment.

(2) The employer shall, if so required by the notice or by a supplementary notice given by the inspector, include in his return, or deliver a separate return containing, corresponding particulars in respect of persons employed by him since the commencement of the year of charge in which the notice is given. 25 30

(3) Where any persons are in receipt of pensions (not subject to deduction of tax) from the employer in respect of previous employment, the return shall include corresponding particulars in respect of those persons.

(4) The return need not include any person whose annual remuneration or pension from the employer did not exceed one hundred and twenty-five pounds, unless he was also employed in some other employment. 35

(5) Where the employer is a company, any director of the company or person engaged in the management of the company shall for the purposes of this section be deemed to be a person employed by the company. 40

252. Every person when required to do so by notice for that purpose given by an inspector shall, within the time limited by the notice, deliver a return containing to the best of his belief :—

PART VII.
—cont.

Returns as to lodgers, etc. [1918, s. 104; 1927, s. 43 (2).]

- 5 (a) the names of lodgers or inmates who reside in his dwelling-house, or in any hotel, lodging-house or club of which he is proprietor, manager, or secretary, and who have so resided for more than six months;
- 10 (b) the name and usual place of residence of any such lodger or inmate who has any usual place of residence elsewhere and who desires to be charged at that place.

253. Every person, if so required by a notice from the inspector, shall within the time limited by the notice, deliver to the inspector a statement as to whether or not he has made any such return as may be specified in the notice, and, if he has made such a return, the address of the inspector to whom the return was delivered.

Statement as to where return made. [Based on 1918, s. 102, and 1927, s. 43 (3).]

254. Where interest on any Government security is, by virtue of any direction given by the Treasury, payable without deduction of tax, and is so paid,

Disclosure of names and addresses of persons entitled to interest on Government securities paid without deduction of tax.

- (a) any person to whom the interest is paid; and
- 25 (b) any person who, being the registered or inscribed holder of any such securities, receives on behalf of any other person any such interest; and
- (c) any person who has acted as an intermediary in the purchase of any such securities;
- 30 shall, on being so required by notice for that purpose given by the Board, deliver to them, within the time limited by the notice, a return containing—
- (i) the names and addresses of the persons to whom the interest has been paid or on whose behalf the interest has been received or on whose behalf the securities have been purchased;
- 35 (ii) the amount of the interest so paid or received or the amount of any securities so purchased.

[1918, s. 49 (3); 1931 (No. 2), s. 23 (2).]

255.—(1) Any incorporated company on which a notice for the purpose is served by the Special Commissioners shall, within such time, not being less than

Returns as to holdings of share-holders, etc.

PART VII. twenty-one days, as is limited by the notice, deliver to
 —cont. the Special Commissioners a return containing a copy,
 in com- certified by a duly authorised officer of the company, of
 panies. the whole of, or any specified class of, the entries in any
 [1930, s. 23.] register of the names of the holders of any shares or 5
 securities issued by the company.

(2) On the delivery of the return in accordance with the notice payment shall be made therefor at the rate of five shillings for every hundred entries.

(3) In this section "entry" means in relation to 1
 any register so much thereof as relates to the shares
 or securities held by any one person.

General provisions as to returns. 256.—(1) Every notice under this Part of this Act requiring a return or statement shall specify the time, not being less than twenty-one days, within which the 1
 [1918, s. 98, (1).] return or statement is to be delivered.

(2) Every return under this Part of this Act shall specify the name and place of residence of the person making it, and, if he carries on business or holds 2
 [1918, Sch. D, Misc. r. 4 (7).] or exercises an office or employment, the head office or
 other the place or principal place at which the business
 is carried on, or the place at which the office or employ-
 ment is held or exercised, as the case may be.

(3) A return or statement under this Part of this Act shall be in writing and in such form as may be 2
 [1918, s. 100 (2), 5th Sch., No. XV.] prescribed, and shall be signed by the person required
 [1927, s. 43 (3) & (4).] to deliver the return or statement, and there shall be
 added such declaration as may be prescribed to the
 effect that the return or statement is correct and
 complete. 3

(4) Every return made under this Part of this Act shall be made available to the General, Additional and Special Commissioners and their respective clerks, and, whenever necessary, to the assessors for the preparation and making of provisional assessments. 3

Returns on behalf of companies. 257. Where the person required to deliver a return under this Part of this Act is a company, the secretary or other officer performing the duties of secretary (by whatever name called) shall be responsible for delivering the return. 4
 [1918, ss. 105 (2) & 106 (1).]

PROCEDURE FOR ASSESSMENT AND CHARGE.

PART VII.

—cont.

Income of Classes A and B.

- 258.—(1) There shall be a quinquennial revaluation of the rental value of all land in Great Britain, except 5 land the annual value whereof is, under the provisions of subsection (2) of section 217, or for any other reason, not to be treated as income of Class A. Quinquennial revaluations. [1930, s. 27 (1).]
- (2) The rental value of all land to be included in such revaluation shall be determined afresh for the year 10 1936–37 and for each fifth succeeding year of charge thereafter; and each such year is in this Act referred to as a “year of revaluation.” [1930, ss. 27 (1) and (2).]
- (3) The rental value of any land which has been 15 finally determined for a year of revaluation or any subsequent year of charge shall be taken to be the rental value of the land not only for that year but also for every subsequent year of charge until the next year of revaluation, unless— [1930, s. 27 (3).]
- (a) an alteration is made therein on an appeal under 20 paragraph (7) of section 261 or under that paragraph as applied by section 262 or section 263; or
- (b) owing to a change in the land, due to the construction, structural alteration, or destruction 25 of buildings or other works thereon or thereunder, an alteration of the rental value thereof is required.
- 259.—(1) The rental value of any land in England to be determined for a year of revaluation may be determined in the preceding year and according to 30 the circumstances of the preceding year (in this Act referred to as a “preparatory year”): The preparatory year. [1930, s. 28 (1) and 1st Sch. I (3).]
- Provided that where as respects any land it is proved to the satisfaction of the Commissioners that 35 the amount of the rental value if determined according to the circumstances of the year of revaluation would be less than if determined according to the circumstances of the preparatory year, such less amount shall be taken to be the rental value. [1930, s. 27 (2).] [1930, s. 28 (2) (proviso).]
- (2) Where the rental value of any land is to be 40 determined according to the circumstances of a preparatory year, section 13 shall apply as if the “seven years” [1930, 1st Sch. II (1).]

PART VII. therein referred to were the seven years immediately
—*cont.* before the commencement of the preparatory year.

[1930, s. 28
(1).]

(3) All things necessary to be done for or preliminary to such determination may be done at any time during the preparatory year or the year of revaluation.

Revaluation
procedure in
England
outside
London.

[1930,
1st Sch. I
(i).]

260. With respect to the determination for a year of revaluation of rental values of land in England outside London, the following provisions shall have effect:—

(1) The General Commissioners shall at the commencement of the preparatory year appoint persons to be assessors with respect to such determination, and shall as soon as may be issue the necessary instructions to the assessors, and shall appoint a day not later than the prescribed date for the assessors to appear before them as provided in paragraph (6) of this section.

[1918, ss. 99
and 100 (1)
(a) *applied*
by 1930,
1st Sch. I
(2).]

(2) The assessor shall, as respects any land in his area the rental value of which is to be so determined, give to the occupier of the land notice in writing to deliver to him a return containing the rental value of the land for the preparatory year and such other particulars relating to the rental value of the land as may be prescribed:

Provided that where the person chargeable with tax in respect of income of Class A arising from the land is some person other than the occupier, a notice shall also be given to him.

[1918,
s. 109 (a).]

(3) If the assessor has in any case neglected to give such a notice, the inspector may give the notice.

[1918,
s. 100 (1).]

(4) It shall be the duty of every person to whom any such notice is given to deliver to the assessor, within the time limited by the notice, a return containing the particulars required by the notice.

(5) The assessor—

[1918,
s. 112, and
Sch. A,
No. IV,
r. 3, *applied*
by 1930,
s. 28 (1).]

(a) if satisfied that the amount shown in any return as the rental value of any land therein referred to is correct, shall accept that amount as the rental value;

(b) if not so satisfied, or if no such return as aforesaid is delivered in respect of any land, shall estimate to the best of his judgment the rental value of the land.

- 5 (6) On the day appointed for the purpose the assessor shall appear before the General Commissioners and bring in the rental values certified as accepted or estimated by him as provided in the preceding paragraph, together with the returns received by him. [1930, 1st Sch. I (1); 1918, s. 113 (1) (a).]
- 10 (7) The clerk to the General Commissioners shall deliver to the inspector for examination the rental values so certified and the inspector shall have the right at any time to examine any such return as aforesaid. [1918, s. 118 (3) and 119.]
- 15 (8) The General Commissioners shall take into consideration the rental values certified by the assessors after they have been examined by the inspector and— [1918, s. 120 (1).]
- 20 (a) if as regards any such rental value no objection has been made by the inspector and the General Commissioners are satisfied that it is correct, they shall accept such rental value;
- 25 (b) if as regards any such rental value the General Commissioners are not satisfied that it is correct, or the inspector objects thereto and applies for the revision thereof and suggests in writing any error or omission in accepting or estimating such rental value, the General Commissioners shall to the best of their judgment determine the rental value; and the General Commissioners shall allow and sign a valuation containing the rental value so accepted or determined by them.
- 30 (9) On any such valuation being allowed and signed the General Commissioners shall cause notice in writing in the prescribed form to be given to the person chargeable in respect of the income arising from the land included in the valuation, informing him of the rental value of the land as allowed by them and of his right of appeal, and stating the time within which notice of appeal must be given. [1930, 1st Sch. I (5), applying 1918, s. 134 (2) (b).]
- 35 (10) The occupier of any land, and any owner or other person in receipt of the rent of any land, who is aggrieved by the amount of the rental value thereof as allowed by the General Commissioners shall be entitled to appeal in manner

PART VII.

—cont.

[1918,
s. 136 (1)
and (2)
applied by
1930,
1st Sch. I
(5); 1930,
1st Sch. II
(2).]
[1930,
1st Sch. II
(3).]
[1918,
s. 125
applied by
1930,
1st Sch. I
(4).]

provided by Part VIII of this Act on giving notice in writing to the inspector,

(a) if notice has been given to him of the rental value under the preceding paragraph, within forty-two days after the date of that notice; or

(b) if no such notice has been delivered to him, within one year from the expiration of the year of revaluation.

(11) If as respects any land the inspector comes to the conclusion that no rental value has been accepted or determined for the land, or that the rental value thereof is greater than that accepted or determined, he shall certify the particulars to the General Commissioners, who—

(a) if the valuations have not been allowed and signed shall, before allowing and signing them, make a valuation or amend the valuation as the case may require;

(b) if the valuations have been allowed and signed shall allow and sign an amended valuation in accordance with the particulars furnished by the inspector;

Provided that—

(i) in the case of such an amended valuation, notice thereof shall be given, and the valuation shall be subject to the like right of appeal, as in the case of an original valuation;

(ii) no such amended valuation shall be allowed and signed after the expiration of six years from the end of the year of revaluation.

Assessment
of income of
Class A and
Class B in
England
outside
London in a
year of re-
valuation.
[1930,
1st Sch. I
(3).]
[1930,
1st Sch. I
(1).]

261. With respect to the assessment in a year of revaluation of income of Class A and Class B arising from land in England outside London, the following provisions shall have effect, subject however, as regards paragraphs (2) and (5) thereof, to the provisions of subsection (3) of section 258 :—

(1) The assessors appointed in pursuance of paragraph (1) of the last preceding section shall act as assessors of the income.

(2) As respects any land in his area—

(a) where the assessor is satisfied that the particulars necessary for the determination

of the annual value contained in the return delivered to him are correct and sufficient, he shall make provisional assessments of the annual value, and, where required, of the occupation value, of the land in accordance with those particulars;

PART VII.
—cont.

[1918,
Sch. A,
No. IV,
r. 3.]

5

(b) in any other case, the assessor shall to the best of his information and judgment estimate the annual value of the land and shall make provisional assessments of the annual value, and, where required, of the occupation value, of the land in accordance with that estimate.

10

- (3) On or before the day appointed for the purpose by the General Commissioners, not being later than the prescribed date, the assessor shall certify all the provisional assessments so made, and shall deliver them to the Commissioners, together with all the returns delivered to him relating to such assessments.

[1918,
s. 76 (2);
113.]

15

- (4) The clerk to the General Commissioners shall deliver to the inspector for examination the provisional assessments so certified and the inspector shall have the right at any time to examine any such return as aforesaid.

[1918,
ss. 113 (2),
118 (3) and
119.]

20

- (5) The General Commissioners shall take into consideration the provisional assessments certified by the assessor after they have been examined by the inspector and—

[1918,
s. 120.]

25

(a) if, as respects any such provisional assessment, no objection has been made by the inspector and the General Commissioners are satisfied that it is correct, they shall make an assessment in accordance with the provisional assessment;

30

(b) if, as respects any such provisional assessment, the General Commissioners are not satisfied that it is correct, or objection has been made by the inspector and he applies for the revision thereof and suggests in writing any error or omission in such provisional assessment, the General Commissioners shall make an assessment to the best of their judgment;

35

40

and shall allow and sign the assessments so made.

45

PART VII.

—cont.

[1918,
s. 134 (2)
(6).]

(6) On any such assessment being allowed and signed the General Commissioners shall cause notice thereof to be given to the person chargeable.

(7) The occupier of any land, and any owner or other person in receipt of the rent of any land, who is aggrieved by any assessment so allowed, or by the charge of tax in consequence thereof, shall be entitled to appeal in manner provided by Part VIII of this Act on giving notice in writing to the inspector—

[1918,
s. 136 (1)
and (2).]

(a) if notice of the assessment has been given to him under the preceding paragraph, within twenty-one days after the date of that notice; or

[1930,
1st Sch. II
(3).]

(b) if no such notice has been given to him, within one year from the expiration of the year of charge;

[1923, s. 26.]

and if on any such appeal the appellant contends that the amount taken to be the rental value of the land is excessive, the rental value shall be determined according to the circumstances of the year of charge.

Assessment of income of Class A and Class B in London in a year of revaluation.

[1930, s. 32
(1).]

262. With respect to the assessment in a year of revaluation of income of Class A and Class B arising from land in London, including the determination of rental value, the following provisions shall have effect:—

(1) When the assessment committee for any assessment area in London have in any year which is a preparatory year finally approved a new valuation list for that area or any part thereof, the clerk of the committee shall (as soon as may be, and in any case before the first day of April in the preparatory year) transmit to the inspector for the district comprising that area or any part thereof, all returns made in pursuance of sections fifty-five and fifty-six or of section fifty-seven of the Valuation (Metropolis) Act, 1869.

32 & 33
Vict. c. 67.[1930, s. 32
(3).]

(2) Any returns so transmitted to the inspector may be retained by him until the first day of July in the year of revaluation, but the clerk of the assessment committee shall be

entitled at any time to have access to the returns so transmitted and to have re-delivered to him any return which he may require for the performance of his duties. PART VII.
—cont.

5 (3) Section 261 shall apply subject to the following modifications :—

(a) the inspector shall act as the assessor, and consequently the provisions as to examination and objection by the inspector shall not apply; [1918, s. 77
(2).]

10

(b) paragraph (2) shall not apply and in lieu thereof paragraph (4) of this section shall apply; [1930, 1st
Sch. II (2).]

15

(c) in sub-paragraph (a) of paragraph (7) "forty-two days" shall be substituted for "twenty-one days" as the time within which notice of appeal may be given.

(4) As regards any land in his district—

20

(a) where the inspector is satisfied that the particulars necessary for the determination of the annual value contained in any such return as is mentioned in paragraph (1) of this section, or in any return delivered in accordance with a notice under section 246, are correct and sufficient, he shall make provisional assessments of the annual value, and, where required, of the occupation value, of the land in accordance with those particulars; [1918,
Sch. A,
No. IV,
r. 3; 1930,
s. 32 (1).]

25

(b) in any other case, the inspector shall to the best of his information and judgment estimate the annual value of the land and shall make provisional assessments of the annual value, and, where required, of the occupation value, of the land in accordance with that estimate.

30

(a) the inspector shall act as the assessor, and consequently the provisions as to examination and objection by the inspector shall not apply;

35

263. With respect to the assessment of income of Class A and Class B arising from land in England, whether in or outside London, in a year not being a year of revaluation, section 261 shall apply subject to the following modifications :— Assessment
of income of
Class A and
Class B in
England in
a year other
than a year
of revalua-
tion.

40

(a) the inspector shall act as the assessor, and consequently the provisions as to examination and objection by the inspector shall not apply;

PART VII.
—*cont.*[1918, s. 77
(3); 1923,
s. 26.]

- (b) notice of appeal must be given within twenty-one days after the date of the notice of assessment given to the person chargeable; 5
- (c) where the amount of the assessment is the same as in the preceding year, it shall not be necessary on the allowance of the assessment to give notice thereof, but where no such notice is given, the amount of the annual value or the occupation value, as the case may be, shall be stated in the demand note, and in such case, for the purposes of the right of appeal, the delivery of the demand note shall be treated as the giving of notice of assessment. 10

Rate books
and valuation
lists.[1918,
s. 114 (1).]

264.—(1) The General Commissioners, any inspector, or any assessor, or any person authorised by them or any of them, may in any place within the limits for which they act, at any reasonable time and without payment of any fee, inspect and take copies or extracts from any list, book or document kept by a rating authority and relating to any rate levied by them. 15 20

[Rating and
Valuation
Act, 1925,
s. 43 (2);
1930, s. 32
(4).]

(2) In England, an inspector may at any time apply to any rating authority in whose area any land situate in his district is included to supply a copy of the entries relating to any such land in the valuation list for the time being in force or in any rate for the time being in force; and the authority shall comply with the application on payment of a sum calculated at a rate not exceeding the rate of five shillings for every one hundred entries numbered separately; and the clerk of the authority shall, if required, certify the copy to be a true copy. 25 30

Survey of
lands and
production
of leases.[1918,
s. 116.]

265.—(1) If any person to whom notice has been given under section 260 or under section 246 has failed to deliver a return of the rental value or the annual value of the land to which the notice relates, or if the General Commissioners are not satisfied with any return with regard to the rental value or the annual value of any land, the General Commissioners may, by order signed by them, authorise the assessor or inspector, with a person or persons of skill named in the order, to enter upon and survey the land and make a valuation of the rental value thereof. 35 40

(2) The assessor or inspector and the person or persons named may, after giving two days' notice of such order to the occupier of the land, at any reasonable

time enter upon and survey the land specified in the order for the purpose of making such a valuation. PART VII.
—cont.

(3) A tenant-occupier of any land shall, on being required to do so by the assessor or inspector, produce his lease. [1918,
Sch. A,
No. IV,
r. 8.]

Income of Class D and income assessable in like manner as income of Class D.

266.—(1) Subject to the provisions of this Part of this Act with respect to assessments by the Special Commissioners, assessments of income of Class D and of income assessable in like manner as income of Class D, that is to say:— Classes of
income
where pro-
visional
assessments
made by
Additional
Commis-
sioners.

(a) income of Classes C, H, J, K, M, and O; and

(b) income of Class G, where the person chargeable is the person entitled to the income,

shall be effected by means of assessments made provisionally by the Additional Commissioners, and allowed by the General Commissioners, in manner provided in the six succeeding sections.

(2) All income of any particular Class to which this subsection applies, in respect of which any particular person is chargeable, may be assessed in one sum. [1926, s. 30.]

The income to which this subsection applies is income of Class H, Class J, Class M, and Class O, and income of Class G where the person chargeable is the person entitled to the income.

267.—(1) For the purpose of enabling provisional assessments of all such income to be made, the returns so far as they relate to income to be assessed by any body of Additional Commissioners shall be laid before those Commissioners, together with the abstracts thereof. Returns and
estimates
to be laid
before
Additional
Commis-
sioners.

(2) Where as respects any such income no return has been delivered in pursuance of this Act, the assessor shall, to the best of his information and judgment, estimate the amount of the income, and shall, not later than the prescribed date, lay before the Additional Commissioners the estimate, together with a statement of the name and address of the person chargeable and such other particulars as the Commissioners may require. [1918,
s. 121 (1).]
[1918,
ss. 76 (2)
and 112.]

268.—(1) The Additional Commissioners shall appoint meetings for the consideration of the returns and estimates from time to time laid before them. Making of
provisional
assessments.
[1918, s. 121
(2)-(5).]

PART VII.
—cont.

(2) On such consideration—

- (a) if the Additional Commissioners are satisfied that a return in respect of any income has been made in accordance with the provisions of this Act, and have no reason to believe that the return is insufficient, and no objection to the return is made by the inspector, the Commissioners shall make a provisional assessment in accordance with the return; 5
- (b) in any other case the Additional Commissioners shall make a provisional assessment to the best of their judgment: 10

Provided that the Additional Commissioners may refer any return to the General Commissioners by delivering to them a case in writing setting forth the matter at issue, either of law or of fact, and the General Commissioners shall inquire into the matter in like manner as in the case of an appeal against a provisional assessment, and the provisional assessment shall be made by the Additional Commissioners in accordance with the determination of the General Commissioners. 20

Objection
by inspector
to pro-
visional
assessments.

269.—(1) The inspector may at all reasonable times examine any provisional assessment made by the Additional Commissioners before it is delivered, as hereinafter provided, to the General Commissioners. 25

[1918, s. 121
(6) and (7).]

(2) If, on such examination, the inspector discovers any error requiring amendment, he shall notify it to the Additional Commissioners, and those Commissioners, if satisfied that an amendment is required, shall amend the provisional assessment. 30

(3) The inspector may make an objection, in writing, to the amount of any provisional assessment by the Additional Commissioners, and those Commissioners, on receipt of the objection, shall communicate it to the General Commissioners, together with a statement of their reasons for making the provisional assessment and any information they may have obtained respecting it. 35

Delivery of
provisional
assessments
to General

270.—(1) The Additional Commissioners shall, as their provisional assessments are from time to time completed, cause entries thereof in the prescribed form to be made in the assessment books, distinguishing the 40

parish for which each provisional assessment is made and showing :—

PART VII.
—cont.

(a) the names and addresses of the persons to be charged; and

Commissioners.
[1918, s. 122
(1) and (2).]

5 (b) the amounts at which the respective incomes ought to be assessed.

(2) The provisional assessments shall be signed by the Additional Commissioners and shall from time to time be delivered to the General Commissioners, together with the relevant returns and any particulars furnished by the assessors relating thereto, and notice of such delivery shall be given to the inspector.

(3) On the making of a provisional assessment notice thereof shall be given to the person to be charged, together with notice of any objection made thereto by the inspector :

Provided that if the inspector so requires the notice of the provisional assessment shall not be given before the expiration of fourteen days from the date of the making of the provisional assessment.

271.—(1) If the person named in any provisional assessment as the person to be charged is aggrieved by the assessment, or by any objection by the inspector to the assessment, or by the tax which would be chargeable if the assessment were allowed in accordance with the provisional assessment, he shall be entitled to appeal in manner provided by Part VIII of this Act on giving to the inspector notice in writing (specifying the grounds of appeal) within twenty-one days after the date of the notice given under the last preceding section.

Right of appeal.
[1918, s. 136
(1); 1926,
s. 25.]

(2) Where the income assessed is income of a non-resident person, and a resident person is named in the assessment as the person chargeable in respect of that income, the non-resident, as well as the person so named, shall be entitled to appeal under this section.

272.—(1) If in the case of any provisional assessment there has been no appeal and no objection by the inspector, the General Commissioners shall make the assessment in accordance with the provisional assessment.

Making of assessments.
[1918,
ss. 122 (3),
133.]

(2) If in the case of any provisional assessment there has been an appeal against the provisional assessment or against an objection by the inspector to the provisional assessment, then, unless the provisional assessment is

PART VII. set aside on appeal, the General Commissioners shall
 —*cont.* make such modification (if any) in the provisional
 assessment as may be necessary to give effect to the
 determination on appeal, and shall make an assessment
 in accordance with the provisional assessment, or with 5
 the provisional assessment as so modified, as the case
 may be.

[1926, s. 25
 (2); 1930,
 s. 24.]

(3) Where the hearing of an appeal has been
 postponed or adjourned the assessment may, subject to
 the provisions of section 305, be made notwithstanding 10
 that the appeal is pending, but in such case the assess-
 ment shall, pending the determination of the appeal,
 be deemed to be allowed in respect of so much only of
 the amount thereof as appears to the Commissioners not
 to be in dispute. 15

(4) If in the case of any provisional assessment an
 objection has been made by the inspector, and the objection
 has not been appealed against, an assessment shall be
 made in accordance with the provisional assessment,
 subject to such modification as the Commissioners think 20
 proper in order to give effect to the objection.

(5) Except as expressly provided by this Act, a
 provisional assessment shall not be altered otherwise than
 as aforesaid.

(6) Where an assessment has been made by the 25
 General Commissioners, it shall be allowed and signed by
 them.

Right to
 have assess-
 ments made
 by Special
 Commis-
 sioners.
 [1918,
 s. 123.]

273.—(1) In the case of income of Class D, or of
 income assessable in like manner as income of Class D,
 the person chargeable may, by notice, require that all 30
 proceedings for the purpose of the assessment of that
 income, and the charge of tax in respect thereof, shall be
 taken before the Special Commissioners instead of before
 the Additional Commissioners and General Commissioners,
 and an assessment so made is in this Act referred to as a 35
 special assessment.

(2) A notice under this section must be delivered to
 the inspector with the return of the income in question
 made by the person giving the notice, and before the
 Additional Commissioners have made a provisional assess- 40
 ment in respect of that income.

274. With respect to a special assessment, or any other assessment of income of Class D or of income assessable in like manner as income of Class D required to be made by the Special Commissioners, the following provisions shall have effect:—

(1) The inspector shall, after examining the return, make a provisional assessment to the best of his judgment and shall deliver a certificate thereof, together with the return, to the Special Commissioners.

(2) The Special Commissioners shall examine the provisional assessment and the return and shall make an assessment to the best of their judgment and shall allow and sign the assessment so made.

(3) On any such assessment being allowed and signed the Special Commissioners shall cause notice thereof to be given to the person chargeable.

(4) If the person chargeable is aggrieved by an assessment so allowed, or by the charge of tax in consequence thereof, he shall be entitled to appeal, in manner provided by Part VIII of this Act, on giving to the inspector notice in writing (specifying the grounds of appeal) within twenty-one days after the date of the notice given under the preceding subsection.

(5) If the inspector is so aggrieved, he shall have the like right of appeal on giving the like notice to the Special Commissioners and to the person chargeable.

(6) Where an assessment of any income is required to be made by the Special Commissioners, any additional assessment or charge which may be necessary in respect of that income shall also be made by those Commissioners, and the provisions of section 278 shall, with any necessary modifications, apply accordingly.

Income of Classes E, F and N.

275. The following provisions shall have effect with respect to the assessment of income of Class E, Class F and Class N:—

(1) The assessor—

(a) if satisfied that the particulars necessary for the determination of the income contained in the return delivered in pursuance of this Act are correct and sufficient, shall make a provisional assessment of the income in accordance with those particulars;

PART VII.
—cont.

Procedure where assessment made by Special Commissioners. [1918, s. 123 (2).]

[1918, s. 147; 1926, s. 25 (1).]

Assessments of income of Classes E, F and N.

PART VII.

—cont.

[1918,
s. 112 (a).]

(b) in any other case, shall to the best of his information and judgment estimate the income and shall make a provisional assessment of the income in accordance with that estimate.

5

[1918, s. 76
(2); s. 113
(1) (a) (i).]

(2) On or before the day appointed for the purpose by the General Commissioners, not being later than the prescribed date, the assessor shall certify and deliver to them all the provisional assessments so made.

10

[1918,
s. 113 (2).]

(3) The clerk to the General Commissioners shall deliver to the inspector for examination the provisional assessments so certified.

[1918,
s. 120.]

(4) The General Commissioners shall take into consideration the provisional assessments certified by the assessor after they have been examined by the inspector, and—

15

(a) if, as respects any such provisional assessment, no objection has been made by the inspector, and the General Commissioners are satisfied that it is correct, they shall make an assessment in accordance with the provisional assessment;

20

(b) if, as respects any such provisional assessment, the General Commissioners are not satisfied that it is correct, or objection has been made by the inspector and he applies for the revision thereof and suggests in writing any error or omission in such provisional assessment, the General Commissioners shall make the assessment to the best of their judgment;

25

and shall allow and sign the assessment so made.

[1918, s. 134
(2) (b).]

(5) On any such assessment being allowed and signed the General Commissioners shall cause notice to be given to the person chargeable.

35

[1918, s. 136
(1).]

(6) If the person chargeable is aggrieved by an assessment upon him so allowed, or by the charge of tax in consequence thereof, he shall be entitled to appeal in manner provided by Part VIII of this Act on giving notice in writing to the inspector within twenty-one days after the date of the notice given under the preceding paragraph.

40

PART VII.

—cont.

276.—(1) The provisions of the last preceding section shall apply to assessments of income of Class E, Class F or Class N assessable by Commissioners appointed under section 355, subject to the following modifications :—

5 (a) For references to the General Commissioners there shall be substituted references to the Commissioners so appointed. [1918, s. 69.]

10 (b) Where an assessor has been appointed for any Government department he shall on request be furnished free of charge by any officer of the department, or by any agent by whom pay or pension is payable, with true accounts of the amount of the pay or pension. [1918, s. 117 (1) (a).]

15 (c) Any such assessor shall have access to all documents in the department which concern any such pay or pension. [1918, s. 117 (1) (b).]

20 (d) Any such assessor may, if he is dissatisfied with any such accounts as aforesaid or in any case in which it may be necessary, give to any person to be charged a notice requiring a return of the pay or pension to be delivered to him within such period, not being less than twenty-one days, as is specified in the notice. [1918, s. 117 (1) (c).]

25 (2) The provisions of the last preceding section shall apply to assessments of income of Class E, Class F or Class N assessable by Commissioners appointed under section 356, subject to the modification that for references to the General Commissioners there shall be substituted references to the Commissioners so appointed.

30 **277.** Assessments of income of Classes E, F and N required to be made by the Special Commissioners shall be made in like manner, and subject to the like provisions and the like right of appeal, as is provided in section 274. Procedure where assessment made by Special Commissioners.

35 *Additional assessments and charges.* [Based on 1918, s. 123 (2).]

278.—(1) If as respects any year of charge the inspector comes to the conclusion that any income which ought to have been assessed has not been assessed, or Additional assessments and charges.

PART VII. that the assessment in respect of any income is or has
 —cont. become insufficient, then—

[1918,
 s. 125.]

(a) where the income is income of Class A, Class B,
 Class E, Class F or Class N—

(i) if the assessments have not been allowed 5
 and signed, the inspector shall make a pro-
 visional assessment, or amend the provisional
 assessment already made, as the case may
 require;

(ii) if the assessments have been allowed and 10
 signed, the inspector shall certify particulars
 of the omission or deficiency to the General
 Commissioners, who shall allow and sign an
 additional assessment in accordance there-
 with, and the provisions of this Act relating 15
 to notices of assessment and appeals shall
 apply as in the case of any other assessment
 of income of the Class in question;

(b) where the income is income of Class D, or income
 assessable in like manner as income of Class D, 20
 the Additional Commissioners shall, on receipt
 from the inspector of a certificate of the par-
 ticulars of omission or deficiency, make a
 provisional assessment, or a provisional addi-
 tional assessment, according to the best of their 25
 judgment, and the provisions of this Act relating
 to objections by the inspector, notices of
 assessment, appeals, and allowance by the
 General Commissioners shall apply as in the
 case of any other assessment of income of the 30
 Class in question :

[1918, s. 126
 (1) (2) and
 (3).]

Provided that if in the case of a certificate of
 omission or deficiency the Additional Com-
 missioners refuse or neglect to make a provisional 35
 assessment or a provisional additional assess-
 ment the inspector may, within the time limited
 by this section for the making of such a
 provisional assessment, certify the particulars
 to the General Commissioners, who shall there-
 upon make an assessment or an additional 40
 assessment in accordance with the certificate,
 and the assessment so made shall be allowed
 and signed, and shall be subject to the like
 provisions as to notice and appeal as in the case
 of an assessment of income of Class E. 45

PART VII
—cont.

(2) If as respects any year of charge the inspector comes to the conclusion that any person has on account of any allowance or relief been granted a discharge from tax or reduction of tax to which, or to the whole of which, he was not entitled, and that by reason thereof that person has not been charged or has been undercharged with tax in respect of any assessed income, he shall certify the particulars of the omission or deficiency to the General Commissioners, who shall allow and sign a charge or additional charge of tax in respect of that income in accordance therewith, and the charge or additional charge shall be subject to the like provisions as to notice and appeal as in the case of an assessment of income of Class E:

15 Provided that if the assessment was made by the General Commissioners for any division, and the person chargeable has, since the making of the assessment, removed from that division to another division, the charge or additional charge under this subsection may
20 be made by the General Commissioners for either division.

(3) No provisional assessment of income of Class D, or of income assessable in like manner as income of Class D, shall be made by the Additional Commissioners, and no assessment of income of any other Class under
25 subsection (1) of this section, and no charge of tax under subsection (2) of this section, shall be allowed and signed after the expiration of six years from the end of the year of charge for which it is made. [1923, s. 29]

(4) Where an objection has been made by the
30 inspector to any provisional assessment under this Part of this Act and that objection has been determined on appeal, no proceedings shall be taken under this section in respect of the matters the subject of the objection. [1918, s. 13 (3).]

35 **279.**—(1) If the inspector comes to the conclusion that in connection with any claim for repayment of tax an amount has been repaid exceeding the amount which should have been repaid upon that claim, he may certify to the appropriate Commissioners the amount which in
40 his opinion was excessive: Recovery of excessive repayment of tax. [New.]

Provided that if the claim was adjudicated by the Commissioners no such certificate shall be given unless, since the adjudication, new facts affecting the claim have been discovered.

PART VII.
—cont.

(2) The appropriate Commissioners shall allow and sign a charge of tax of the amount so certified, and such charge shall be subject to the like right of notice and the like right of appeal as if it were an assessment of income of Class E, except that the appeal shall in all cases lie to the appropriate Commissioners. 5

(3) No charge of tax under this section shall be allowed and signed after the expiration of six years from the end of the year of charge in which the excessive repayment was made. 10

(4) For the purposes of this section the appropriate Commissioners shall—

- (a) if the claim is one to which section 300 applies, be the appropriate Commissioners under that section; 15
- (b) if the claim is a claim under section 301, be the Special Commissioners.

Charge of tax.

Imposition
of charge.
[New.]

280.—(1) On allowing an assessment under any of the foregoing provisions the Commissioners shall determine the amount of tax to be charged in consequence of the assessment, and before signing the assessment shall make an entry of the particulars thereof, showing— 20

- (a) the full amount of the tax at the standard rate chargeable in respect of the income assessed; 25
- (b) the amount, if any, by which the tax so chargeable is to be reduced by reason of any reliefs allocated to the charge in question;
- (c) the net amount, if any, of tax charged.

[1918, s. 3.]

(2) The due proportion of tax shall be charged for every fractional part of twenty shillings, but no tax shall be charged of a lower denomination than one penny. 30

Income of Class G (where the person chargeable is the person entrusted with the payment of the income) and income of Class L. 35

Description
of income
affected.

281. The provisions of the three next succeeding sections shall apply to the assessment of income of Class G,

where the person chargeable is the person entrusted with the payment of the income, and to the assessment of income of Class L. PART VII.
—cont.

282. Where the person chargeable is the Bank of England, the Bank of Ireland, or the National Debt Commissioners, then (except in the cases referred to in subsection (2) of section 284) the following provisions shall have effect :—

- 10 (1) The person chargeable shall whenever any payment on account of the income becomes due enter in the assessment books and deliver to the appropriate commissioners accounts of—
- (a) the aggregate amount of the payments to be made; Assessment of income payable by the Bank of England, the Bank of Ireland, and the National Debt Commissioners. [1918, Sch. C, Bank r. 1.]
- 15 (b) the amount of tax chargeable in respect of such aggregate amount at the standard rate in force at the time of payment, having regard to any exemptions and reliefs to which the persons to whom the payments are to be made may be entitled.
- 20 (2) The appropriate Commissioners shall to the best of their judgment and belief determine the amount of the income to be assessed and of the tax chargeable, and shall allow and sign the assessment and charge so determined. [r. 3.]
- 25 (3) The appropriate Commissioners shall at the end of each year of charge send to the Special Commissioners a certified summary of the assessments made and the tax charged during that year. [rr. 4 and 5.]
- 30

283.—(1) Where the income, being payable out of any public revenue, is payable by any Government department the amount of the income shall be assessed, and tax in respect thereof charged, by the appropriate Commissioners. Assessment of income payable by Government departments, etc. [1918, Sch. C, Departmental rr. 1, 2 and 3 (part).]

(2) The appropriate Commissioners for the purposes of this section shall have the like functions as are possessed by the appropriate Commissioners under the last preceding section.

40 (3) The assessors appointed for the department shall, when the payments are made, compute the tax

PART VII. in respect thereof at the standard rate in force at the
 —cont. time of payment, and shall certify the amount thereof
 to the appropriate officer.

Assessment
 of income in
 other cases.
 [1918,
 Sch. C,
 Paying
 Agent, r. 1.]

284.—(1) Where the person chargeable is some
 person other than the Bank of England, the Bank of 5
 Ireland, the National Debt Commissioners, or a Govern-
 ment department, the following provisions shall have
 effect:—

(a) The person chargeable shall within one month
 after being required to do so by notice published 10
 in the Gazette deliver to the Board a return
 giving—

(i) his name and place of residence; and

(ii) a description of the income entrusted
 to him for payment or payable by or 15
 through him,

and shall also on demand by the inspector
 authorised for the purpose by the Board deliver
 to that inspector, for the use of the Special
 Commissioners, a return containing proper 20
 accounts of the income in question.

[r. 2.]

(b) The Special Commissioners shall have all neces-
 sary powers in relation to the examining,
 auditing, checking and clearing the accounts
 so delivered and shall assess the amounts of 25
 the payments to be made, after deducting such
 part thereof as represents payments in respect
 of which the persons entitled thereto are exempt
 from, or are not liable to, tax, and shall charge
 tax in respect of the amount so assessed at the 30
 standard rate in force at the date of payment.

[New.]

(c) If the person chargeable is aggrieved by any such
 assessment or charge, he shall be entitled to
 appeal, in manner provided by Part VIII of
 this Act, on giving to the Special Commis- 35
 sioners notice in writing (specifying the grounds
 of appeal) within twenty-one days after the
 date of notice of the assessment or charge.

[r. 5.]

(d) Any person chargeable who does all things
 necessary to enable income to be assessed under 40

5 this section and tax in respect thereof to be charged and paid shall receive an allowance to be calculated by reference to the amount of the payments from which tax has been deducted, and to be fixed by the Treasury at a rate not being less than thirteen shillings and sixpence for every thousand pounds of that amount :

PART VII.
—cont.

10 Provided that this paragraph shall not apply to a person entrusted with the payment of any interest, annuities or other annual payments payable out of the public revenue of Northern Ireland. [1926, s. 24 (2).]

15 (2) This section shall apply to the Bank of England and to the Bank of Ireland in like manner as to any other person in cases where the Bank is the person chargeable as being the paying agent by virtue of any of the paragraphs (a) to (d) of subsection (1) of section 69.

General.

20 285. An assessment or charge as allowed by the Commissioners, or, if appealed against, as determined on appeal, shall be conclusive and shall not be altered, except as expressly provided by this Act.

Prohibition against alteration of assessments and charges.
[1918, s. 133 (1) and (2).]

25 286. Where, for any year of charge, the residence, domicile or nationality of a person is material for the purpose of determining whether he is chargeable with tax, or of determining the basis on which any of his income is to be assessed, any question as to his residence, domicile or nationality shall be decided in like manner as a claim under section 301, and the decision on the question shall be binding on any body of Commissioners concerned with the assessment of income of that person.

Questions of residence, domicile, or nationality to be decided by Special Commissioners.
[New—based on 1924, s. 27.]

35 287. If the Commissioners are satisfied that owing to absence, sickness or other reasonable cause a person entitled to give any notice of appeal under this Part of this Act is or has been prevented from giving the notice within the time limited, they may extend the time for giving the notice, or may allow the notice to be given by an agent.

Notice of appeal when appellant absent, etc.
[1918, s. 136 (3).]

PART VII.
—cont.Provisions
as to
notices of
assessment.[1918,
ss. 134 and
208; *Berry*
v. Farrow,
[1914]
1 K.B. 632.]

288.—(1) Every notice of assessment or provisional assessment shall be in writing and shall be in such form as may be prescribed and shall give particulars of the assessment and shall state the right of appeal conferred by this Act and the time within which notice of appeal must be given. 5

(2) Every such notice shall also state the full amount of the tax chargeable in consequence of the assessment, or, in the case of a provisional assessment, of the tax which would be chargeable if the assessment were allowed in accordance with the provisional assessment, and when at the time of the giving of the notice any relief from tax has been allowed, shall further state the amount (if any) of the relief proposed to be given from the tax which would otherwise be chargeable in consequence of the assessment. 10 15

Provisions
as to assess-
ment books.[1918, s. 118.]
[1918, ss. 110
(2) and 122
(1) (a).]

289.—(1) An abstract in the prescribed form of the particulars contained in returns as to income shall, as soon as practicable, be made in the assessment books.

(2) The assessments in each assessment book shall be progressively numbered. 20

[1918, s. 150.]

(3) The pages in each assessment book shall be numbered and the sums on each page shall be cast up and totalled.

[1918,
s. 119 (2).]

(4) The inspector shall be entitled at any time to make copies of or extracts from any assessment book, and the person having the custody of any such book shall, on request from the inspector, allow the inspector to have possession of the book so long as may be necessary for the purpose aforesaid. 25 30

Provision
against
double
charge.[1918,
s. 151.]

290. A person who either on his own behalf or on behalf of any other person has by any error or mistake—

(i) been charged more than once for the same year in respect of the same income or of the same part of his income; or 35

(ii) been charged in respect of any income in respect of which any other person has also been charged for the same year and on the same account,

shall be entitled, on a claim being made for the purpose, to have the charge or such part of the charge as appears 40

to be an over-charge discharged, or where tax has been paid to have any tax overpaid repaid. PART VII.
—cont.

291. The General Commissioners shall, at such date in any year as may be fixed by the Board, cause to be made out in the prescribed form and for the prescribed period, and to be transmitted to the Board, a certificate containing— Charge certificates.
[1918,
s. 152.]

- (a) the names of the assessor and collector for each parish;
- 10 (b) the full amount of the sums given in charge to each collector.

PART VIII.

PROCEDURE ON APPEALS AND CLAIMS.

APPEALS.

15 292.—(1) Where a right of appeal in manner provided by this Part of this Act is conferred by any provision of this Act, the appeal shall, except as otherwise provided in this section, lie to the General Commissioners. Appeal Commissioners.

20 (2) Where the person who has given notice of appeal has, either before or after giving the notice, removed from the division in which the assessment was made to another division, the Board may, on application being made to them by the appellant, permit him to prosecute the appeal before the General Commissioners for the division to which he has removed, and those [1918, s. 136
(4) (a).]

25 General Commissioners shall hear and determine the appeal, and shall notify their determination to the General Commissioners for the former division.

30 (3) Where the appeal is made under section 271, or under subsection (6) of section 275 or that subsection as applied by subsection (2) of section 276, or under section 278 (not being an appeal in relation to income of Class A or Class B), the appellant may, either by his notice of appeal or by a separate notice in writing given to the inspector within the time limited for giving notice of appeal, require the appeal to be determined by the [1918, s. 143
(1); 1922,
s. 19.]

35 Special Commissioners.

PART VIII.
—cont.

(4) The appeal shall lie to the Special Commissioners—

- (a) where there has been a requirement to that effect in pursuance of the preceding subsection;
- [1918, s. 147 (2).] (b) where the assessment has been made by the Special Commissioners; 5
- (c) where the appeal is made under subsection (4) of section 22;
- [1922, s. 19.] (d) where the appeal is made under subsection (6) of section 275 as applied by subsection (1) of section 276.

(5) Where the Special Commissioners hear an appeal in relation to an assessment made by other Commissioners, the Special Commissioners shall inform those Commissioners of their determination of the appeal, and those Commissioners shall take such steps (if any) as may be necessary to give effect to that determination.

(6) Subject to the provisions of subsections (3) and (4) of this section, the appeal shall lie to the Commissioners appointed under section 356 where the assessment has been made by those Commissioners. 20

- [1918, s. 70.] (7) The Commissioners by whom an appeal is to be or is heard and determined are in this Act referred to as the Appeal Commissioners.

Appeal meetings.
[1918, ss. 135 and 137 (1).]

293.—(1) The Appeal Commissioners shall meet together from time to time for the hearing of appeals, and shall cause notice of any such meeting to be given to the inspector concerned. 25

(2) The Appeal Commissioners shall cause reasonable notice to be given to each appellant of the day for hearing his appeal. 30

Hearing of appeals.
[1918, s. 137 (2).]
[*R. v. Briston Commissioners* (1913) 6 T.C. 195.]

294.—(1) Any inspector or assessor shall be entitled to be present during all the time of the hearing of an appeal relating to any assessment with which he is concerned, to give reasons in support of such assessment, and to be present when the Appeal Commissioners announce their determination. 35

- [1918, s. 137 (3); 1923, s. 26 (2).] (2) The appellant, and the inspector and the assessor, shall be entitled at the hearing of any appeal to appear by counsel or by a solicitor, or by an accountant, being a member of an incorporated society of accountants, and where the appeal is against an assessment of income 40

of Class A or Class B the appellant may also appear by **PART VIII.**
any agent. **—cont.**

- (3) If the Appeal Commissioners are satisfied that the appellant has been prevented by absence, sickness or other reasonable cause from attending on the day fixed for the hearing of the appeal, they may allow any agent of the appellant to attend on his behalf, or may postpone the hearing of his appeal for such time as they may think necessary. [1918, s. 136 (3).]
- 5
- (4) Where the appellant has, in pursuance of section 271, or of subsection (4) of section 274, specified in the notice of appeal the grounds of the appeal, and on the hearing of the appeal the appellant desires to put forward any ground of appeal which was not so specified, the Appeal Commissioners, if in their opinion the omission of that ground from the notice was not wilful or unreasonable, may allow the appellant to put forward that ground and may take it into consideration. [1926, s. 25 (1), proviso.]
- 10
- 15
- (5) The appellant and the inspector and assessor concerned shall be entitled to adduce evidence, but the Appeal Commissioners shall not be bound to receive any evidence which they do not consider necessary for the determination of the appeal. [1918, s. 137 (2) and (4).]
[R. v. *Officer Commissioners* (1911), 27 T.L.R. 353.]
- 20
- (6) The Appeal Commissioners may summon any person (other than the appellant) whom they think able to give relevant evidence to appear before them to be examined. [1918, s. 144 (1).]
- 25
- (7) Any witness before the Appeal Commissioners may be examined on oath, but where the witness is the appellant or any agent or servant of the appellant or any other person confidentially employed in his affairs, the witness shall not be compelled to give evidence on oath or to answer any question to which he objects. [1918, s. 137 (4), s. 143 (2), s. 144 (1).]
- 30
- (8) The Appeal Commissioners may adjourn any appeal from time to time. [1918, s. 137 (1).]
- 35
- 295.—(1) Where the appeal relates to a provisional assessment made by the Additional Commissioners, the Appeal Commissioners may, either before or in the course of hearing the appeal, from time to time issue a precept to the appellant requiring him, within the time limited by the precept, to deliver to them a return **Power to require particulars.** [1918, s. 139 (1) and (2).]
- 40

PART VIII. containing such particulars as they may require respecting the matters arising in the appeal; and it shall be the duty of an appellant on whom such a precept has been served to carry out the directions of the precept within the time so limited. 5

[1918, s. 143 (1).] (2) The Appeal Commissioners, if not satisfied with any particulars contained in a return delivered to them in compliance with a precept issued under the preceding subsection, may from time to time issue to the appellant questions in writing relating to any matter included in the precept, together with a further precept requiring the appellant to deliver to them answers thereto in writing and signed by him. 10

[1918, s. 143 (2) (a) (b).] (3) An appellant who has been served with a further precept in pursuance of the preceding subsection shall, within seven days after service thereof, either deliver answers as thereby directed, or tender himself or some agent or servant on his behalf as a witness, and in the latter case subsection (7) of the last preceding section shall apply. 15 20

Determina-
tion of
appeals.
[1918, ss.
137 (4) and
145.] 296.—(1) If the Appeal Commissioners are satisfied that the assessment which is the subject of appeal ought to be set aside or reduced, they shall set aside or reduce the assessment accordingly.

[1918, ss. 137 (5) and 142.] (2) If the Appeal Commissioners are satisfied that the assessment which is the subject of appeal is insufficient, they shall increase the assessment accordingly. 25

(3) Unless the Appeal Commissioners are so satisfied the assessment shall stand good.

(4) Where on an appeal an assessment is set aside, reduced, or increased, the tax charged in consequence thereof shall be discharged, reduced, or increased accordingly. 30

[1918, ss. 133 (2) and 148 (2).] (5) The determination of any appeal by the Appeal Commissioners shall be final and conclusive, subject to the provisions of section 298. 35

Application
to appeals
against
determina-
tion of
rental value. 297. The foregoing provisions of this Part of this Act, other than section 295, shall apply to appeals under paragraph (10) or paragraph (11) of section 260 relating to the amount of rental value, and to appeals under paragraph (7) of section 261, or under that paragraph as applied by section 262 or section 263, where the 40

appeal involves the amount of rental value, subject to the following modifications :—

PART VIII.
—cont.

- (a) the appellant shall be entitled to appear by any agent; [1923, s. 26 (2).]
- 5 (b) if the Appeal Commissioners are satisfied that the amount of the rental value to which the appeal relates ought to be altered they shall alter it accordingly, and where necessary make a corresponding amendment in the assessment; but unless so satisfied the amount of the rental value appealed against shall stand good; [1918, s. 137 (4) & (5); 1930, 1st Sch., Pt. I (5).]
- 10 (c) the Appeal Commissioners may if they think fit, and shall if so required by the appellant, direct a valuation of the rental value to be made by a person of skill named by them, and in such case the following provisions shall have effect—
- 15 (i) the Commissioners shall by order signed by them authorise the person so named to enter upon and survey the land, and that person shall have the right, after giving two days notice to the occupier of the land, at any reasonable time to enter upon and survey the land;
- 20 (ii) the valuation, if so directed by the Commissioners, shall be verified on oath;
- 25 (iii) the rental value of the land shall be determined by the Commissioners in accordance with the valuation;
- 30 (iv) if the rental value as determined in accordance with the valuation exceeds the rental value alleged by the appellant the Commissioners may order the costs of the valuation to be paid by him, but if they are of opinion that such costs have not been
- 35 incurred through any default of the appellant they shall order the costs to be paid by the Board.

298.—(1) Upon the determination of an appeal the appellant or the inspector, if dissatisfied with the determination as being erroneous in point of law, may require the Appeal Commissioners to state and sign a case for the opinion of the High Court thereon. Case for opinion of High Court. [1918, s. 149 (1) (a) and (b).]

PART VIII. (2) Such requirement shall be made by delivering,
 —*cont.* at any time within twenty-one days after the deter-
 [1918, s. 149 mination of the appeal, a notice in writing to the clerk
 (1) (b) and of the Appeal Commissioners, and the party requiring
 (c).] the case shall pay to the clerk a fee of twenty shillings 5
 before he is entitled to have the case stated.

[1918, s. 149 (3) The case shall set forth the facts and the
 (1) (d).] determination of the Appeal Commissioners.

(4) The case when stated and signed shall be
 delivered by the clerk to the party who required it. 1

[1918, s. 149 (5) The party to whom the case has been delivered
 (1) (d) and shall within twenty-one days after he has received
 (e).] it transmit the case to the High Court and send to the
 other party a copy of the case, together with notice in
 writing that he has so transmitted it. 1

[1918, s. 149 (6) The High Court shall hear and determine any
 (2) (a).] question of law arising on the case, and may reverse,
 affirm, or amend the determination of the Appeal
 Commissioners, remit the matter to them with the
 opinion of the Court thereon, or make such other order 2
 as the Court may think fit.

[1918, s. 149 (7) The High Court may cause the case to be sent
 (2) (b).] back for amendment, and thereupon the case shall be
 amended accordingly and returned to the High Court,
 and the preceding subsection shall thereupon apply. 2

[1918, s. 149 (8) Where the amount of the assessment is to be
 (4), pro- altered in consequence of the judgment of the High
 visos.] Court, the Commissioners shall alter the assessment and
 charge accordingly, and if too much tax has been paid,
 the amount overpaid shall be refunded with such interest, 3
 if any, as the High Court may allow.

[1918, s. 149 (9) An appeal shall lie from the decision of the
 (3); Administration of Justice (Appeals) Act, 1934 (24 & 25
 Geo. 5, c. 40, s. 11).] High Court to the Court of Appeal and thence (with
 the leave of the Court of Appeal or the House of Lords)
 to the House of Lords. 3

Interpre- **299.** For the purposes of the foregoing provisions
tation. of this Part of this Act—

(a) references to an “assessment” include references
 to a provisional assessment and an additional
 assessment; 4

- (b) where the subject of appeal is an additional charge, references to an assessment shall be construed as references to such additional charge. PART VIII.
—cont.

5

CLAIMS.

300.—(1) Every claim (not being a claim to which the next succeeding section applies) for any relief, or for any exemption from tax, or for any repayment of tax, which, by any provision of this Act, is expressed to be dependent on a claim being made for the purpose, shall be made in accordance with the provisions of this section. Claims to be made locally.

(2) The claim shall be made by delivering to the inspector notice of the claim within the time allowed for making the claim. [1918, s. 27; 1927, s. 41.]

(3) The inspector may allow, in whole or in part, any claim so made.

(4) If and so far as the inspector does not within forty days after the delivery of the notice, or within such extended time as may be allowed by the appropriate Commissioners, allow the claim, the claim shall, if the claimant so requires, be determined by the appropriate Commissioners in like manner as an appeal, and the provisions of section 293, section 294, subsection (5) of section 296, and section 298 shall apply accordingly. [1918, ss. 27 and 28.]

(5) Where under this section the inspector or the Commissioners allow the claim in whole or in part, effect shall be given to the claim, or to the claim so far as it is allowed, in manner provided in section 302.

(6) The appropriate Commissioners for the purposes of this section shall be the General Commissioners, except that—

(a) where the claim is not a claim for repayment only, and relates to tax chargeable in consequence of an assessment made by, or under appeal to, the Special Commissioners; or

(b) where the claim is made under section 108, 175, 206, 210 to 216, 219 or 239; or [1918, s. 33 (2); 1921, s. 28 (2); 1930, s. 18; 1933, s. 32 (5).]

PART VIII.
—cont.

[1918, s. 34;
Sch. D,
Cases I and
II, r. 6 (5);
1926, s. 34
(3).]

(c) where the claim is made under subsection (3) of section 22, section 95 or section 240, and the claimant in his notice of claim has required the matter to be determined by the Special Commissioners,

5

the appropriate Commissioners shall be the Special Commissioners; and

[1918, s. 28
(2).]

(d) where the only income of the claimant consists of the pay or pension, to which section 183 applies,

10

the appropriate Commissioners shall be the Commissioners by whom the pay or pension is assessed.

Claims to be
made to the
Board.

[1921, s. 28;
1925, s. 19;
1926, s. 20.]

301.—(1) The claims to which this section applies are—

(a) any claim involving any question as to the residence, domicile or nationality of the claimant;

15

(b) any claim under subsection (2) of section 76 for repayment of tax deducted under that section;

20

(c) any claim under sections 81, 89, 90 or 108, where the claimant is not resident in the United Kingdom;

(d) any claim under section 104 for repayment of tax in respect of interest paid;

25

(e) any claim under section 106 on account of error or mistake in a return;

(f) any claim by a charity for exemption under section 120 or for allocation of income under section 121;

30

(g) any claim for exemption under sections 125 to 131, inclusive;

(h) any claim for repayment of sur-tax.

(2) A claim to which this section applies shall be made by delivering to the Board notice of the claim within the time allowed for making the claim.

(3) The Board shall deal with any claim so made, and may allow it in whole or in part or disallow it.

(4) Any person who is aggrieved by the decision of the Board on any such claim may apply to have his claim heard and determined by the Special Commissioners. PART VIII.
—cont.

(5) Any such application must be made in writing to the clerk of the Special Commissioners within twenty-one days from the date on which notice of the Board's decision is given to the claimant:

Provided that in the case of claims under sections 81, 89, 90 or 108 the notice may be given within three months from such date as aforesaid. [1921, s. 28;
1926, s. 20.]

(6) The Special Commissioners on any such application shall hear and determine the claim in like manner as an appeal, and the provisions of section 293, section 294, subsection (5) of section 296, and section 298 shall apply accordingly:

Provided that where the claim is for relief under section 106 on account of error or mistake in a return, a case shall not be stated for the opinion of the High Court unless the point of law involved arises in connection with the computation of income. [1923, s. 24
(5).]

(7) In the application of this section to a claim for repayment of sur-tax (other than a claim under section 106 on account of error or mistake in a return), the claim shall be made direct to the Special Commissioners, and the provisions of this section shall have effect as if for references to the Board there were substituted references to the Special Commissioners, and the proviso to subsection (5) of section 139 shall apply.

(8) Where under this section the Board or the Special Commissioners allow a claim in whole or in part, effect shall be given to the claim, or to the claim so far as allowed, in manner provided in section 302.

302.—(1) Where a claim has been allowed in whole or in part, effect shall be given to the allowance— Method of
giving effect
to claims.

(a) if the claim is for setting aside or reduction of an assessment, by setting aside or reducing the assessment, and by making any consequential discharge, reduction or repayment of tax; [1918, s. 16.]

(b) if the claim is for discharge or reduction of tax, by discharging or reducing any charge of tax affecting the claimant;

PART VIII.
—*cont.*,
[1918, s. 29.]

(c) if effect cannot or cannot conveniently be given to the allowance in manner aforesaid, or if the claim is for repayment of tax, by the repayment of tax, whether such tax has been paid by the claimant or has been borne by him by deduction or otherwise.

[1918, s. 27
(4).]

(2) Where effect is to be given to a claim by the discharge or reduction of any of several charges, the Board shall determine the charge to be discharged or reduced, and, where more than one charge is to be affected, the amounts to be allocated to the several charges; but in making such determination the Board shall take into consideration any desire as to the allocation which the claimant has previously expressed.

(3) Where effect is to be given to a claim by repayment of tax, the Commissioners by whom the claim was allowed shall send to the Board a certificate of the amount repayable, and the Board shall cause repayment to be made accordingly.

General
provisions
as to
claims.
[1918, ss. 27
and 40;
1918, s. 41;
1923, s. 30;
1925, s. 19.]

303.—(1) Every claim shall be signed by the claimant, and to every claim there shall be added such declaration as may be prescribed, to the effect that the statements contained in the claim are correct and complete.

(2) Where a person is chargeable with tax on behalf of another person, the person so chargeable may make a claim on behalf of that other person.

(3) A claim must be made within the time specified in the section under which the claim is made, or, if no time is so specified, within six years from the expiration of the year of charge to which the claim relates.

(4) Where a claim has been made, and the claimant subsequently discovers that an error or mistake has been made in the claim, nothing in this Act shall prevent the claimant making a supplementary claim within the time allowed for making the original claim.

[1918,
s. 28 (3).]

(5) In the case of a non-resident, if evidence by affidavit in support of a claim is required the affidavit may be made before any person who has authority to administer, in the place where the claimant resides, an oath with regard to any matters relating to the public revenue of the United Kingdom.

PART IX.

COLLECTION AND RECOVERY.

Due date of payment.

304.—(1) Except as otherwise provided in this section, standard tax for any year of charge shall be payable on or before the first day of January in that year, but if the assessment in consequence of which the tax is chargeable has not been allowed before the first day of January, the tax shall be payable on the day next after the day on which the assessment is allowed.

Due date of
payment
of tax.
[1918,
s. 157 (1).]

(2) In the case of—

- (a) tax charged on any individual or partnership in respect of income of Class B arising from land occupied for the purpose of husbandry only;
- (b) tax charged on any individual or partnership in respect of income of Class D;
- (c) tax charged on any individual in respect of income of Class E, Class F, or Class N, and any income from any property which is attached to any office or employment or from which any part of the emoluments of an office or employment is derived,

[1918,
s. 157 (2);
1927, s. 21;
1931, s. 8;
1933, s. 29.]

the tax shall be payable in two equal instalments, the first as provided in subsection (1) of this section and the second on or before the following first day of July :

Provided that where the assessment in consequence of which the tax is chargeable is allowed on or after the thirtieth day of June in the year following the year of charge this subsection shall not have effect, and the tax shall be payable on the day next after the assessment is allowed.

(3) In the case of tax chargeable on paying agents as defined by section 69, the tax shall be payable as and when the deductions made in pursuance of section 76 are made.

[1918, Sch. C
Bank r. 8;
Paying Agents
r. 4; Govt.
Dept. r. 3.]

(4) Where tax is payable in instalments the provisions of this Part of this Act as to the recovery of tax shall apply to each instalment in the same manner as they apply to the whole amount of the tax.

[1918,
s. 157(2) (c).]

PART IX.

—cont.

Collection
of tax
pending
appeal.[1926,
s. 25 (2);
1930, s. 24.]

305.—(1) Where an assessment of income of Class D or of income assessable in like manner as income of Class D has, in pursuance of section 272, been allowed notwithstanding that an appeal is pending, or where an assessment for the purposes of sur-tax has been allowed and an appeal against the assessment is pending, then—

- (a) pending the appeal, such part of the tax charged in consequence of the assessment as appears to the Appeal Commissioners not to be in dispute shall be payable in all respects as if no appeal were pending in respect of the assessment; and
- (b) on the determination of the appeal, any balance of tax chargeable in accordance with the determination shall become payable, or any tax overpaid shall be repaid, as the case may require.

[1930, 1st
Sch. II (3)
proviso.]

(2) An appeal under sub-paragraph (b) of paragraph (7) of section 261, or under that sub-paragraph as applied by section 262, shall not affect the collection or recovery of tax, but where in consequence of any such appeal the amount of the tax chargeable is reduced any tax overpaid shall be repaid.

[1918,
s. 149 (3).]

(3) The statement of a case under section 298 shall not affect the collection or recovery of tax, subject, however, to the provisions of that section.

Payment of
tax in
advance
subject to
discount.[1918,
s. 159.]

306.—(1) Any person, on production to the proper officer of the notice of assessment given under subsection (3) of section 270 or subsection (3) of section 274, may pay to him in advance tax chargeable in consequence of the assessment.

(2) The proper officer, on request made at the time of payment, shall, subject to compliance with such conditions as the Board may from time to time prescribe, make an allowance from the amount to be paid, calculated at the rate of two pounds ten shillings per cent. per annum on that amount for the period commencing on the day when the payment was made and ending on the day on which that amount would become payable.

(3) The proper officer shall give a certificate of payment, specifying the name appearing on the notice of assessment, the amount of tax discharged by the payment, and the amount of the allowance.

Collection.

PART IX.
—cont.

- 5 **307.** As soon as conveniently may be after any assessments have been allowed by the General Commissioners, the clerk to the Commissioners shall prepare, in the prescribed form, a duplicate of so much of the assessment book as shows the several persons charged with tax, and the amounts with which they are respectively charged, and the Commissioners shall forthwith sign and seal it and deliver it to the collector.
- 10 **308.—(1)** Tax charged in consequence of an assessment made by the Special Commissioners shall be payable to the proper officer.
- 15 (2) A statement specifying the name and address of the person charged and the amount of the tax charged, and certified under the hand of the clerk to the Special Commissioners, in the prescribed form, shall be sufficient authority to the proper officer to whom the statement is transmitted to receive, bring to account, and give a discharge for the tax so specified.
- 20 (3) If payment of any standard tax payable in consequence of any such assessment is not made to the proper officer, the Special Commissioners shall make a duplicate of the extract and deliver it, together with their warrant for the recovery of the amount of tax
- 25 payable, to the collector for the parish in which the person charged resides or in which he carries on business and the collector shall enforce payment in accordance with the warrant.
- 30 **309.** Where the lessor of any land is charged with tax in respect of income of Class A and neglects or refuses to pay the tax, the tax may be recovered from the occupier of the land in like manner as if he had been the person charged.
- 35 **310.—(1)** The collector shall, by means of the service of demand notes, demand the payment as and when they become payable of the respective sums which are contained in any duplicate delivered to him and which have not previously been paid.
- 40 (2) A demand note shall be in the prescribed form, and shall, in respect of income of Class A or Class B,

Delivery of
duplicates.
[1918,
s. 153.]

Collection of
tax charged
in conse-
quence of
assessments
made by
Special
Commis-
sioners.
[1918,
ss. 123 (3)
and 154.]

Recovery from
occupier where
landlord charged.
[1913, Sch. A,
No. VII, r. 8
(proviso), r. 9.]

Issue of
demand
notes and
receipts.
[1918,
s. 158.]

PART IX. distinctly describe the land to which the charge relates, and, where no notice of assessment has been issued for the year for which the tax is charged, state the rental value and the annual value of the land, or the occupation value thereof, as the case may be.

—cont.

(3) On payment of tax the collector shall give a receipt under his hand, in the prescribed form, and if the demand note has been delivered to him, return it with the receipt.

Recovery by distraint.

Distraint by collector. [1918, s. 162.]

311.—(1) If a person neglects or refuses to pay the sum payable, the collector may distrain the person charged by his goods and chattels, and in the case of tax in respect of income of Class A or Class B may also distrain any goods and chattels found upon the premises from which the income in respect of which the tax charged arises, without any further authority for that purpose than the warrant delivered to him on his appointment:

Provided that no such distress shall be levied unless a demand note has been served by delivering it to the person chargeable, or at his last known place of abode, or, if the charge is in respect of income of Class A or of Class B, at the premises in respect of which the tax is chargeable.

(2) For the purpose of levying any such distress, a collector may, after obtaining a warrant for that purpose, under the hands and seals of the General Commissioners, break open any premises in the daytime, calling to his assistance any officer of police; and every such officer shall, when so required, assist the collector in executing the warrant and in levying the distress.

(3) A levy of distress or warrant to break open shall be executed by the collector, or under his direction and in his presence.

(4) A distress levied by the collector shall be kept for five days, and if the sum due, together with the costs of taking and keeping the distress, is not paid within the said five days, the distress shall, if the owner thereof so requires in writing, be appraised by two or more competent persons, and shall be sold by the collector or his deputy by public auction.

(5) The proceeds of sale shall be applied in payment of the sum due and the costs of taking, keeping and selling the distress and the residue, if any, shall be paid to the owner of the goods distrained.

PART IX.
—cont.

5 (6) The rules for the time being in force under the Law of Distress Amendment Act, 1888, regulating the fees, charges and expenses in and incidental to distresses, shall apply to distresses under this Act.

51 & 52
Vict. c. 21.

10 (7) If tax is charged in respect of income of Class A arising from any land, and the land is unoccupied and no distress can be found thereon at the date at which distress is sought to be levied, the collector for the time being of the parish in which the land is situate may, at any subsequent time when there is any distress to be found on the land, proceed under the same powers as if the occupier had been in occupation at that date.

[1918,
s. 164.]

312.—(1) No goods or chattels belonging to a person at the time any standard tax payable by him becomes in arrear shall be liable to be taken by virtue of any execution or other process or authority, or by virtue of any assignment, except at the suit of the landlord for rent, unless the person at whose suit the goods and chattels are taken or to be taken, or to whom the assignment was made, pays or causes to be paid to the collector, before the removal or sale of the goods or chattels, the tax in arrear, or so much of the tax in arrear as represents tax for one whole year.

Priority of
claim for
tax over
other
creditors.
[1918,
s. 163.]

30 (2) If the standard tax in arrear, or the standard tax for one whole year, as the case may be, is not so paid, the collector may distrain the goods and chattels, notwithstanding that they have been so taken, and shall proceed as provided by the last preceding section, and every collector shall by virtue of this Act be indemnified for so acting.

35 313. Where in any proceedings, civil or criminal, brought against any officer or other person acting under this Act on account of the seizure or detention of any goods a verdict or judgment is given against the defendant, then if the court certifies that there was probable cause for the seizure or detention, the plaintiff shall not be entitled to any damages besides the goods seized or detained or the value thereof, nor to any costs, and the defendant shall not be liable to any punishment.

Protection
of officers,
etc., in
certain
proceedings.
[1918, s. 229
(2).]

PART IX.

—cont.

*Recovery by proceedings in Court.*Recovery by
proceedings in
Court.[1918, s. 169;
Administra-
tion of Justice
(Miscellaneous
Provisions)
Act, 1933,
s. 4.]

314. Tax charged under this Act may be recovered from the person charged therewith as a debt due to the Crown, either—

- (a) by proceedings in the High Court, or in cases within the jurisdiction of a county court, either in the High Court or in the county court; or
- (b) by any other means whereby any debt due to the Crown can be recovered.

Recovery by
summary
proceedings.
[1924,
s. 30 (1).][1930,
s. 25 (2).]

315.—(1) Where under any charge the amount of standard tax for the time being payable is less than fifty pounds, the tax may, without prejudice to any other remedy, be recovered summarily as a civil debt.

(2) Where the tax due under any charge is payable by instalments, and the sum for the time being payable in respect of any of those instalments is less than fifty pounds, that sum may be recovered summarily as a civil debt, notwithstanding that the total sum payable under the charge is equal to or exceeds fifty pounds.

[1924,
s. 30 (2);
1930,
s. 25 (3).]

(3) Proceedings under this section shall be commenced in the name of a collector, and where the collector in whose name proceedings have been commenced dies, or otherwise ceases for any reason to hold office as such, the proceedings may be continued in his name by any of his successors.

Where proceedings are so continued, notice of the change of collector shall, as soon as may be, be given by the successor to the person against whom the proceedings are pending.

[1930,
s. 25 (1).]

(4) All or any of the sums due in respect of tax from any one person and payable to any one collector (if recoverable summarily) may, whether or not they are due under one charge, be included in the same complaint, summons, order, warrant or other document required by law to be laid before justices or to be issued by justices, and every such document as aforesaid shall, as respects each such sum, be construed as a separate document and its invalidity as respects any one such sum shall not affect its validity as respects any other such sum.

316.—(1) The production of a schedule of defaulters certified by the Board, and purporting to be made in pursuance of section 318 and to contain the name of the defaulter, shall be sufficient evidence in the High Court or a county court that the sum mentioned in the schedule was duly charged on the defaulter therein mentioned and that it is in arrear and unpaid and is due and owing to the Crown.

PART. IX.
—cont.
Evidence.
[1918,
s. 176 (3).]

(2) In any summary proceedings for the recovery of tax a written statement as to the wages paid for any period to the person against whom the proceedings are brought, purporting to be signed by his employer for that period, or by any responsible person in the employment of the employer, shall be prima facie evidence that the wages therein stated to have been paid to the person charged have in fact been so paid.

In this subsection, “wages” includes salaries, fees and other emoluments.

Accounting for tax collected.

317.—(1) The Board may—

Payments
by col-
lectors.
[1918,
s. 172.]

(a) appoint from time to time a day on or before which any collector is to pay over, or account for, the tax or other money given him in charge to collect;

(b) require any collector to remit the tax and other money received by him, either weekly or at shorter intervals, in anticipation of the day so fixed;

(c) make regulations applicable to all collectors as regards remittances and the mode of making remittances.

(2) On the day so appointed the collector shall pay over to the proper officer, or otherwise as required by the Board, all money received by him as collector which is then in his hands.

318.—(1) Every collector shall make out and deliver to the General Commissioners a schedule of deficiencies in the prescribed form, certified by him, containing—

Schedules of
deficiencies,
discharge,
and default.
[1918,
s. 175.]

(a) the full name and address of every person within his area from whom he has been unable to recover tax; and

PART IX.
—cont.

- (b) the particulars of the sum charged upon, and remaining unpaid by, every defaulter, and the reason for returning such sum as in default; and
- (c) the particulars of all sums which have been discharged for causes allowed by this Act:

Provided that a collector shall not insert in any schedule of deficiencies the name of any person as a defaulter unless he has certified that to the best of his knowledge and belief—

- (i) the sum for which the person is returned as in default is due and unpaid; and
- (ii) the said sum cannot reasonably be recovered by distraint.

(2) The Commissioners shall cause their clerk to make out in the prescribed form :—

- (a) schedules of discharge containing, as respects each parish, the aggregate of any such sums discharged as aforesaid;
- (b) schedules of defaulters containing the sum due from each defaulter, and the particulars thereof,

and shall sign and seal the schedules when so made out, and shall transmit all such schedules to the Board.

Miscellaneous duties of collectors. [1918, s. 172 (3).]

319.—(1) Every collector shall, whenever required by the inspector,—

- (a) produce to the inspector his duplicates, showing the sums collected and received by him;
- (b) answer any lawful question put to him by the inspector concerning the tax or other money given him in charge to collect.

[1918, s. 178 (3).]

(2) A collector in default shall when required by the Commissioners deliver up to them, or in their presence to the collector appointed in his place, or to the inspector, all duplicates delivered to him and all books, receipts, counterfoils and vouchers for payment, and shall at such time as the Commissioners appoint pay to the proper officer all tax in his hands.

[1918, s. 177.]

(3) A collector shall on clearing his accounts for any year deliver to the Board all duplicates to which

those accounts relate, and all books of receipts and counterfoils furnished for his use. PART IX.
—cont.

320.—(1) The sums deducted on account of tax by any person under section 76 shall be paid into the general account of the Board at the Bank of England or the Bank of Ireland. Payments by paying agents. [1918, Sch. C, Bank r. 8; Paying agent r.4 Dept. r.3.]

(2) Where a paying agent fails to make a payment as required by the foregoing provisions of this section it shall be recoverable in like manner as other tax charged upon him. [1918, Sch. C, Paying agent rr. 3, 4.]

321. Tax payable in respect of income of Class D by the Bank of England shall be paid by the Bank into the general account of the Board at the Bank. Tax charged on trading profits of the Bank of England. [1918, Sch. C, Bank r. 8.]

Special provisions.

322. The provisions of this Part of this Act shall apply to the collection and recovery of arrears of tax due for any preceding year of charge in like manner as they apply to tax for the year of charge. Provisions to apply to arrears of tax. [New.]

323.—(1) Where collectors are appointed by any Commissioners appointed under section 355 or section 356 the Commissioners shall cause duplicates and warrants for the collection of tax in the prescribed form to be made and delivered to the collectors, who shall be authorised to demand and recover the tax in the same manner as in the case of collectors for any parish. Collection of tax in public departments, etc. [1918, s. 155.]

(2) Where in pursuance of section 183 or section 184 tax is deducted from the emoluments of any office or pension or from any annuity, the Commissioners by whom the tax is charged shall cause similar duplicates to be delivered to the proper officer in the department concerned, and that officer shall keep true accounts of and be answerable for all tax so deducted, and the tax shall be accounted for and paid to the Board.

324.—(1) Where a person, charged with tax in respect of income of Class D, or of income assessable in like manner as income of Class D, has declared his intention to pay the tax under a number or letter to the proper officer before the day on which it becomes Collection of tax under number or letter. [1918, s. 156.]

PART IX. payable, and the General Commissioners are satisfied with
—*cont.* his declaration, they shall deliver to him a certificate specifying the amount of tax to be paid.

(2) The certificate shall be numbered or lettered in correspondence with the entry in the assessment book to which it relates, and shall not name or describe the person charged.

(3) The General Commissioners shall deliver to the proper officer duplicates of the charges on persons to whom certificates have been so delivered, without naming those persons, together with warrants for the receipt of the tax when it becomes payable.

(4) The tax so payable shall be paid to the proper officer before the day on which it would otherwise become payable, and the production of the certificate shall be sufficient authority to the proper officer to receive the amount therein specified.

(5) On payment of any such amount the proper officer shall give an acknowledgment of payment, identified by the number or letter marked on the certificate, but not naming or describing the person on whose behalf payment is made.

(6) The acknowledgment given on any such payment of tax shall be delivered by the person charged to the General Commissioners, before the time limited for payment, and a receipt shall be given for the same, which receipt shall be a sufficient discharge for the money acknowledged to have been paid.

(7) If before the time when the tax would, apart from this section, become payable, such an acknowledgment as aforesaid has not been delivered to the General Commissioners, they shall cause that charge to be added to the duplicates in the hands of the collector to whom has been intrusted the collection of tax charged on persons by name, and the tax shall be recovered in the same manner, and under the like provisions and powers, as tax charged on persons by name.

(8) In their application to cases to which this section applies, sections 306 and 384 shall have effect as if for reference to notices of assessment there were substituted reference to certificates under this section, and for

reference to the name appearing on the notice of assessment there were substituted reference to the number or letter appearing on the certificate under this section.

PART IX.
—cont.

5 **325.** If the Board make arrangements for the collection of tax by means of stamps in any case, they may prepare and issue any stamps required for the purpose, and the provisions (including penal provisions) of the Stamp Duties Management Act, 1891, as amended by any subsequent enactment, and section sixty-five of the Post Office Act, 1908, shall apply to any such stamps.

Collection by means of special stamps. [1918, s. 160.] 54 & 55 Vict. c. 38. 8 Edw. 7. c. 48.

15 **326.** Whenever any person has removed to or resides or happens to be in any parish other than the parish in which a charge of tax has been made upon him, and the tax or any part thereof is in arrear, the General Commissioners for the division comprising the last-mentioned parish shall sign a certificate of the amount of tax in arrear and deliver it, together with their warrant for the recovery of that amount, through the Board to the collector for the first-mentioned parish (whether that parish is or is not in the same part of the United Kingdom), and that collector shall enforce payment in accordance with the warrant together, with the costs and charges of such enforcement :

Recovery where defaulter has removed, or does not reside in the parish where charged. [1918, s. 168.]

25 Provided that where the first-mentioned parish is within the jurisdiction of the Commissioners by whom the charge was made, those Commissioners may, by certificate, direct the collector for that parish to recover from the person charged the tax in arrear.

30

PART X.

PENALTIES.

35 **327.** Any person who fails to give such a notice of his liability to be charged with tax as he is required to give by subsection (1) of section 136 or subsection (2) or (3) of section 245 shall be liable to a penalty not exceeding fifty pounds, and after judgment has been given for that penalty, to a further penalty not exceeding ten pounds for every day during which the failure continues.

Penalty for failure to give notice of liability. [1918, Gen. r. 21 (2); 1927, s. 44 (3), extended to apply to standard tax.]

PART X.
—*cont.*

Penalty for failure to deliver return as to income.

[1918, ss. 107, 139; Sch. C, "Paying Agent" r. 6;

1922, s. 22 (2);

1923, s. 23 (2);

1927, ss. 26 (1),

33 (6), 44 (3).]

[1918, s. 102 (2).]

[1918, Sch. A, No. IV, r. 14.]

328. Any person who—

- (a) being required to deliver a return by a notice or precept given in pursuance of any of the sections mentioned in the Table appended to this section, fails to deliver such a return within the time limited for the purpose; or
- (b) being required to deliver a statement by a notice given in pursuance of section 253, fails to deliver such a statement within the time limited by the notice; or
- (c) fails to produce his lease when required to do so in pursuance of subsection (3) of section 265,

shall be liable to a penalty not exceeding fifty pounds, and after judgment has been given for that penalty, to a further penalty not exceeding ten pounds for every day during which the failure continues:

Provided that—

[1918, s. 140 (2).]

- (i) if at any time before proceedings are instituted against any person under this section he delivers a correct and complete return or statement, or produces his lease, he shall not be liable to any penalty;

[1918, s. 100 (4) proviso.]

- (ii) in the case of a return required by a notice given in pursuance of section 247 or section 248, if the person who has so failed to deliver the return required proves that he is not liable to pay any tax, the penalty shall not exceed five pounds.

TABLE.

Section.	Nature of return.
136 (2), 137 (3), 138 (2), 144 (3) and Second Schedule, paragraph 5 (5).	Returns for the purposes of sur-tax.
153	Return by a partner in a partnership.

Section.	Nature of return.	PART X. —cont.
161	- - Returns by husband and wife.	
197	- - Return of profits of cattle-dealers, etc.	
246	- - Return as to annual value of land.	
5 247	- - Return as to income of Classes other than Class A and Class B.	
248	- - Return as to income from all sources.	
249	- - Return by person in receipt of income belonging to others.	
10 250	- - Return by person chargeable on behalf of others.	
257	- - Return on behalf of company.	
260 (2)	- - Return relating to rental value of land.	
284 (1) (a)	- - Return by a paying agent.	
15 295	- - Return of particulars in reply to precept.	

- 329.**—(1) Any person who, being required to deliver a return by such a notice or precept as is referred to in section 328, delivers a return which is incorrect or incomplete in any material particular, shall, if he acted negligently, be liable to a penalty not exceeding the aggregate of the following sums, that is to say, the sum of twenty pounds, and a sum equal to three times the difference between—
- 20
- 25 (a) the tax which would have been chargeable if a correct and complete return had been made; and
- (b) the tax which would be chargeable on the assumption that the return actually made was correct and complete:
- 30

Provided that where the return is a return relating to the rental value of land the penalty shall be a penalty not exceeding one hundred pounds.

- (2) If at any time before proceedings are instituted against any person under this section, that person discloses any omission or wrong statement in the return delivered by him and delivers a correct and complete return as required by the notice or precept he shall not be liable to any penalty.
- 35

Penalty for negligence in return as to income. [1918, ss. 107, 132 (1).]

[1918, s. 140 (1).]

PART X.
—*cont.*
Penalty for
fraud in
return as to
income.
[1918,
ss. 107,
132 (1).]

330.—(1) Any person who being required to deliver a return by such a notice or precept as is referred to in section 328, delivers a return which is incorrect or incomplete in any material particular shall, if he acted fraudulently, be liable to a penalty not exceeding the aggregate of the following sums, that is to say, the sum of twenty pounds, and a sum equal to three times the total amount of the tax which he would be liable to bear for the year of charge to which the return relates, no reduction being made in respect of any of the allowances to individuals:

Provided that where the return is a return relating to the rental value of land the penalty shall be a penalty not exceeding five hundred pounds.

(2) In the application of this section to a case where the return is required to be made under section 249 or section 250 or section 257 in respect of income of or belonging to some person other than the person making the return, or in respect of the income of any partnership the amount of the penalty under this section shall be calculated by reference to the tax which that other person would be liable to bear, or to the tax which the partnership would be liable to bear, respectively.

Penalties in
respect of
returns not
relating to
income.
[1918, s.107;
1922, 1st
Sch. para.
11 (2); 1927,
s. 32 (2).]

331.—(1) Any person who being required to deliver a return to which this section relates—

(a) fails to deliver such a return within the time limited by the notice, shall be liable to a penalty not exceeding fifty pounds and after judgment has been given for that penalty, to a further penalty not exceeding ten pounds for every day during which the failure continues:

Provided that if at any time before proceedings are instituted against any person under this paragraph that person delivers a correct and complete return as required by the notice he shall not be liable to any penalty;

(b) delivers a return which is incorrect or incomplete in any material particular, shall—

(i) if he acted negligently, be liable to a penalty not exceeding one hundred pounds

Provided that if at any time before proceedings are instituted against any person

under this sub-paragraph, that person discovers any omission or wrong statement in the return delivered by him and delivers a correct and complete return as required by the notice he shall not be liable to any penalty;

PART X.
—cont.

5

(ii) if he acted fraudulently, be liable to a penalty not exceeding five hundred pounds.

(2) The returns to which this section relates are returns required by notice given under sections 251, 252, 10 254 or 255, or under paragraph 7 or paragraph 11 of the Second Schedule to this Act.

15 **332.** Where the person responsible for delivering the return is by virtue of section 257 the secretary or other officer of a company, the company, and not the secretary or other officer, shall be liable for any pecuniary penalty entailed by any failure, negligence or fraud on the part of the secretary or other officer in connection with the return, and proceedings may be taken against the company accordingly.

Liability of companies for penalties. [Based on 1918, s. 105 (4).]

20 **333.**—(1) Any person who on his own behalf makes or prosecutes a claim to which section 300 or section 301 applies and which is incorrect or incomplete in any material particular, or who in connection with such a claim produces any false certificate or other false 25 evidence, shall—

Penalties for negligence or fraud in connection with claims.

(a) if he acted negligently, be liable to a penalty not exceeding the aggregate of the following sums, that is to say, the sum of twenty pounds and a sum equal to three times the difference between :—

[1918, ss. 30 (1), 34 (3), 40 (4); Sch. A, No. V, r. 10; Sch. B, r. 4.]

30

(i) the relief which would be allowable on the assumption that the claim actually made was correct; and

35

(ii) the relief which would have been allowable if a correct claim had been made;

40

(b) if he acted fraudulently, be liable to a penalty not exceeding the aggregate of the following sums, that is to say, the sum of twenty pounds and a sum equal to three times the total amount of the tax which he would be liable to bear for the year of charge to which the claim relates, no reduction being made in respect of any of the allowances to individuals.

PART X.
—cont.

(2) Any person who, under subsection (2) of section 303, makes, or who prosecutes on behalf of some other person, a claim to which section 300 or section 301 applies and which is incorrect or incomplete in any material particular, or who in connection with such a claim produces any false certificate or other false evidence, shall—

(a) if he acted negligently, be liable to a penalty not exceeding one hundred pounds;

(b) if he acted fraudulently, be liable to a penalty not exceeding five hundred pounds.

[1918,
s. 32 (7).]

(3) Any person who wilfully gives a false certificate for the purposes of subsection (3) of section 90 shall be liable on summary conviction to a penalty not exceeding fifty pounds.

Penalties for
fraudulent
practices.

[Based on
1918, s. 132
(1).]

334. Any person who, in order not to be charged with tax or to be charged with a less amount of tax than that with which he ought to be charged, is guilty of any fraud whatsoever, shall be liable to the penalty imposed by subsection (1) of section 330.

Penalties for
aiding and
abetting.

[1918, ss. 30 (2),
132 (2); Sch. A,
No. V, r. 11;
Sch. B, r. 3;
1923, s. 23 (3).]

335. Any person who wilfully aids or abets any other person in committing any offence under any of the foregoing provisions of this part of this Act shall, if the offence involves fraud, be liable to a penalty not exceeding five hundred pounds.

Penalties for
offences in
respect of
deduction of tax,
and dividend
warrants.

[1918,
Gen. r. 23 (1).]

[1924,
s. 33 (2);
1927, s. 25.]

336.—(1) Any person who refuses to allow a deduction of tax authorised under sections 73 to 77 inclusive, or under section 175, shall be liable to a penalty not exceeding fifty pounds.

(2) Any company which fails to comply with the provisions of section 78 shall be liable in respect of each offence to a penalty not exceeding ten pounds:

Provided that in respect of all such offences connected with one distribution of dividends or interest, the total penalty shall not exceed one hundred pounds.

Penalty for
obstruction
of officers.

[1918,
s. 225.]

337. If any person obstructs, molests or hinders—

(i) any officer or other person employed in relation to the tax in the execution of his duty; or

(ii) any person acting in aid of any officer or other person so employed

he shall be liable on summary conviction to a fine not exceeding one hundred pounds.

338. Any person who knowingly makes any false statement or false representation—

- 5 (i) for the purpose of obtaining any allowance relief or exemption from tax or repayment of tax either on his own behalf or on behalf of some other person; or
- (ii) in any return,

PART X.
—cont.
Imprisonment for certain fraudulent offences.
[1918, s. 227.]

shall be liable on summary conviction to imprisonment for a term not exceeding six months, and proceedings for any such offence may, notwithstanding anything in the Summary Jurisdiction Acts, be instituted at any time within six months after the first discovery thereof by the Board, but in no case shall they be instituted after the expiration of three years from the commission of the offence.

339. Any person who, having been duly summoned under subsection (6) of section 294 to give evidence before the Appeal Commissioners—

- 20 (a) refuses, or fails without reasonable cause, to appear before them at the time and place appointed; or
- (b) appears, but refuses to be sworn; or
- (c) refuses to answer any lawful question touching the matter under consideration,
- 25 shall be liable to a penalty not exceeding twenty pounds:

Penalties on witnesses at appeals.
[1918, s. 144 (3).]

Provided that the penalty under paragraph (b) or paragraph (c) of this section shall not apply to the appellant or to such an agent, servant or other person confidentially employed as is described in subsection (7) of section 294.

340.—(1) Any pecuniary penalty to which any person is liable under this Part of this Act, other than a penalty under subsection (3) of section 333 or under section 337, may be recovered—

- 35 (a) by proceedings before the General Commissioners, or, where the offence is alleged to have been committed in relation to an assessment to be made or a claim to be determined by the

Jurisdiction.
[1918, s. 221 (2) and (4); Administration of Justice (Miscellaneous Provisions) Act, 1933, s. 4.]

PART X. Special Commissioners, by proceedings before the
—cont. Special Commissioners; or

(b) as a debt due to the Crown, either in the High Court or, subject to the provisions of any enactment limiting the jurisdiction of the county court, in a county court. 5

[1918, s. 221 (1).] (2) No proceedings under this Part of this Act shall be instituted except by order of the Board and in the name of an officer of the Board or in the name of the Attorney-General. 10

[1918, s. 221 (3).] (3) Subject to the provisions of subsection (2) of section 341, no proceedings for any penalty shall be instituted after the expiration of six years from the date when the offence giving rise to the penalty was committed.

[New.] (4) If in proceedings before any Court the Court decides that the person against whom the proceedings have been instituted is liable to a penalty depending upon the amount of tax, the Court may refer the matter to the Commissioners to determine and report the amount of tax. 20

Procedure before Commissioners. [1918, s. 221 (5).] **341.**—(1) Any proceedings for the recovery of any penalty taken before the Commissioners shall be instituted by an information in writing laid before them; and upon receipt of any such information the Commissioners shall issue a summons to the person from whom the penalty is sought to be recovered, to appear before them at the time and place mentioned in the summons. 25

[New.] (2) If within seven days of the service of such a summons upon any person, that person sends to the Commissioners a notice in writing requiring that the proceedings against him shall be taken before a Court, the proceedings before the Commissioners shall forthwith be discontinued, and proceedings for the recovery of the penalty may, within three months of such notice, but not later, be instituted in the High Court, or, subject to the provisions of any enactment limiting the jurisdiction of a county court, in a county court. 30 35

[1918, ss. 221 (5), 223.] (3) If no such notice is given, the Commissioners shall hear and determine the matter, and if they judge the person guilty of any of the offences mentioned 40

in this Part of this Act they shall fix the amount of the penalty, and the sum so fixed shall be recoverable as if it were tax charged in consequence of an assessment. PART X.
—cont.

(4) Any such judgment of the General Commissioners shall be final and conclusive, and shall not be removable into any court.

342.—(1) The liability to any penalty under this Part of this Act shall be in addition to, and not in substitution for, any liability to tax. Penalties to be in addition to tax.

10 (2) All sums due in respect of or on account of penalties under this Act shall be paid to the Board, or as they direct. [1918, s. 222 (2).]

343.—(1) If proceedings for a penalty under section 328 are pending before the Commissioners and the Commissioners are satisfied that no fraud or evasion of tax was intended, they may stay the proceedings and may make such order as to costs as they think fit. Stay of proceedings and mitigation of penalties. [1918, ss. 140 (3), 222.]

(2) If any such proceedings are pending before any court, and the Commissioners certify to the court that they are so satisfied as aforesaid, the court may stay the proceedings upon such terms as the court may think fit.

(3) The Board may—

- (a) mitigate or remit any penalty, whether before or after judgment; or
- 25 (b) stay or compound any proceedings for the recovery of any penalty.

(4) The Treasury may mitigate or remit any penalty, whether before or after judgment.

PART XI.

ADMINISTRATION.

BOARD OF INLAND REVENUE.

344.—(1) Income tax shall be under the care and management of the Commissioners of Inland Revenue appointed in pursuance of the Inland Revenue Regulation Act, 1890, commonly known as the Board of Inland Revenue, and in this Act referred to as the Board. General powers and duties of Board. [1918, s. 57 (1).] 53 & 54 Vict. c. 21.

PART XI. (2) The Board may do all such acts as may be
 —cont. deemed necessary or expedient for raising, collecting,
 [1918, s. 57 receiving and accounting for the tax.
 (2).]

COMMISSIONERS.

Special Commissioners.

5

SpecialCom- 345.—(1) The members of the Board for the time
 missioners. being, together with such other persons as the Treasury
 [1918, s. 67 may by warrant from time to time appoint, shall be
 (1).] special commissioners for income tax (in this Act referred
 to as “Special Commissioners”), and shall, by virtue 10
 of their office or appointment, have authority to execute
 such powers, and to perform such duties, as are assigned
 to them by this Act.

[1918, s. 67 (2) The Special Commissioners shall, in matters
 (3).] within their jurisdiction, have all such powers as are 15
 conferred upon any other Commissioners under this Act.

[1918, s. 67 (3) Special Commissioners shall be allowed such sums
 (4).] in respect of salary and incidental expenses as the Treasury
 direct.

[1918, s. 67 (4) The Treasury shall cause an account of all 20
 (5).] appointments of Special Commissioners, with their sala-
 ries, to be laid before Parliament as soon as may be after
 their appointments.

General Commissioners.

General 346.—(1) General commissioners for income tax 25
 Commis- (in this Act referred to as General Commissioners)
 sioners. shall, subject to the provisions of this Act, continue to
 [1918, s. 58.] act for the same separate areas as heretofore, and the
 area for which any body of General Commissioners act
 is in this Act referred to as a division. 30

(2) The jurisdiction of General Commissioners shall
 extend to all matters relating to the assessment of, and
 the charge and collection of tax in respect of,—

(a) income of Class A and Class B;

(b) income of Class D, and income assessable in 35
 like manner as income of Class D, except so
 far as such matters as aforesaid are directed
 by this Act to be executed by any other
 Commissioners;

(c) income of Class E, Class F and Class N, except so far as such matters as aforesaid are executed by any other Commissioners; PART XI.
—cont.

and to the performance of such other duties as are assigned to them by this Act.

347.—(1) The persons who are General Commissioners in each division at the time of the commencement of this Act shall continue in office as if they had been appointed thereunder. Appointment of General Commissioners.

10 (2) The minimum number of General Commissioners appointed and authorised to act for any division, and of persons for supplying vacancies, shall be three, and the maximum number shall be seven or, if authorised by the Board, any greater number not exceeding fourteen. [1918, s. 59 (1).]
[1918, s. 59 (3).]

15 (3) When any General Commissioner dies, or declines to act, or having acted declines to act further, the remaining Commissioners shall select to take his place a person whose name is on the list for supplying vacancies in force at the commencement of this Act or [1918, s. 59 (5).]
20 made under this Act, and for the purposes of this subsection a Commissioner who has been absent from all meetings of the Commissioners for a period of two years shall be deemed to have declined to act further.

(4) If at any time the number of General Commissioners qualified and willing to act for any division is reduced below the authorised number, and cannot be duly completed from the persons on the list for supplying vacancies, or if the number of persons on any such list is reduced below the authorised number, new appointments of General Commissioners may be made, or new names of persons added to the list to supply vacancies, in accordance with the following provisions:— [1918, s. 59 (6).]

(a) The Board shall, by notice in the Gazette, convene a meeting of the Land Tax Commissioners having jurisdiction with regard to land tax within the division, to meet at the time and place appointed by the notice; [1918, s. 59 (6) (a).]
35

(b) The Land Tax Commissioners shall, at the meeting so summoned, choose such of their number as are qualified as hereinafter provided, and are [1918, s. 59 (6) (b).]
40

PART XI.
—cont.

proper persons to act as General Commissioners for the said division;

[1918, s. 59
(6) (e).]

(c) The persons so chosen shall, subject to the limit as to number hereinbefore provided, be General Commissioners or be added to the list for supplying vacancies, as the case may require;

[1918, s. 59
(6) (d).]

(d) If at the meeting it is found that there is not amongst the Land Tax Commissioners a sufficient number of qualified persons to act as General Commissioners or to be included in the list for supplying vacancies, such number of qualified persons residing within the division as may be required may be chosen; and if the requisite number of persons cannot be found among residents in the division, such number may be chosen from the Land Tax Commissioners for any adjoining or neighbouring land tax division;

[1918, s. 59
(7).]

(e) If in the case of any division a sufficient number of qualified persons, either to act as General Commissioners or for supplying vacancies, cannot be found, any person qualified to act for any adjoining division may be chosen.

[1918, s. 59
(9).]

(5) The names of persons chosen under this section to be Commissioners or for supplying vacancies shall be transmitted to the Board.

[1918, s. 59
(3) (ii) and
(6) (f).]

(6) This section shall apply to the divisions formed by or comprising any of the cities or towns mentioned in the Third Schedule to this Act subject to the modifications contained in that Schedule.

Procedure to be adopted in case of default of General Commissioners.

[1918, s. 60.]

348.—(1) If the Board are satisfied as respects any division that there has been a failure in appointing General Commissioners, or that the Commissioners appointed have neglected or refused to act, or, having acted, have declined to act further, they shall give notice thereof to the clerk to the Land Tax Commissioners, and thereupon the Land Tax Commissioners, or any of them not exceeding seven in number, possessing the requisite qualification, shall take upon themselves the execution of this Act, and execute all matters which the General Commissioners for the division in question are required and authorised to perform.

PART XI.
—cont.

(2) If the Board are satisfied as respects any division that the number of Land Tax Commissioners possessing the requisite qualification is insufficient, they shall give notice thereof to the clerk to the Land Tax Commissioners for any adjoining division within the same county, and thereupon those Land Tax Commissioners or any of them, not exceeding seven in number, possessing the requisite qualification shall execute this Act as General Commissioners for the first mentioned division, by themselves or in conjunction with any of the General Commissioners for that division willing to act.

(3) If the persons to whom any such notice has been given do not take upon themselves the execution of this Act within ten days next after the notice, or do not proceed therein with due diligence, the Special Commissioners may execute this Act in the division in all matters directed to be done by General Commissioners.

Additional Commissioners.

349.—(1) If the General Commissioners for any division think it expedient that the power of making provisional assessments of income of Class D and of income assessable in like manner as income of Class D should be executed by Commissioners other than the General Commissioners they may, at a meeting held for the purpose, make a list of the names of persons residing in the division who appear to them to be proper persons to act as Additional Commissioners:

Additional
Commis-
sioners.
[1918, s. 61.]

Provided that persons appointed to supply vacancies in the General Commissioners may be chosen and may act as Additional Commissioners until their services as General Commissioners are required.

(2) The number of names to be included in the list shall be such as the General Commissioners consider necessary having regard to the size of the division and the number of assessments to be made.

(3) Any such list signed by the General Commissioners shall be sufficient authority for the Additional Commissioners named therein, if qualified, to take upon themselves the execution of their powers and duties under this Act.

PART XI.

—cont.

Procedure of
Additional
Commis-
sioners.
[1918, s. 62
(1).]

350.—(1) Whenever the General Commissioners have made a list of Additional Commissioners, they shall cause notice thereof to be served on the Additional Commissioners naming the day (not being later than ten days after the date of the notice) and the place for the first meeting of the Additional Commissioners so named, and requiring their attendance accordingly. 5

[1918, s. 62
(3).]

(2) The General Commissioners may divide the Additional Commissioners into committees and allot to each committee a separate parish or other area for which it is to act in the execution of this Act, so however that meetings of committees shall be so arranged that the clerk may be enabled to attend every meeting. 10

[1918, s. 62
(4).]

(3) Not more than seven persons shall act together as Additional Commissioners for any division, or on any committee, and if more than seven persons are present at any meeting, the seven persons first in order on the list signed by the General Commissioners shall act. 15

Procedure
where no
Additional
Commis-
sioners
appointed.
[1918, ss. 61
(3) (b);
63 (2).]

351.—(1) Where no Additional Commissioners have been appointed for any division the General Commissioners shall execute this Act in all matters authorised to be done by Additional Commissioners, and shall divide themselves in such manner that not less than two of their number shall be appointed to execute the powers of Additional Commissioners; and if there are not left two persons at least qualified to act as General Commissioners for the division, the General Commissioners for any adjoining division of the same county, or such number of them as may be requisite, shall act as General Commissioners for the first-mentioned division. 20
25
30

[1918, s. 65
(4).]

(2) A General Commissioner shall not be precluded from acting as such by reason of his acting or having acted as an Additional Commissioner, except that he shall not act as an Appeal Commissioner on an appeal relating to a provisional assessment which he himself has taken part in making. 35

*Provisions applicable to General and Additional
Commissioners.*

Qualifica-
tions of
General and
Additional

352. To be qualified to be appointed a General or Additional Commissioner a person must, in the year of charge next preceding the year of charge in which he 40

is appointed, have had a total income of not less than two hundred pounds.

Commissioners.
[New.]
Jurisdiction of Commissioners.

353.—(1) The powers of any newly appointed General Commissioner shall extend to—

[1918, s. 64 (1).]

- 5 (a) the assessment of income and the charge of tax which has not, but which ought to have, been assessed and charged in any former year; and
(b) the collection of arrears of tax charged in any former year;

10 and the powers of any newly appointed Additional Commissioner shall extend to the provisional assessment of income which has not, but which ought to have, been assessed in any former year.

(2) Any General Commissioner may administer an oath required or authorised to be taken before the General Commissioners under this Act by any officer or other person for any of the purposes of this Act.

[1918, s. 230 (3).]

Departmental and other Commissioners.

354.—(1) For the purpose of assessing income to which this subsection applies, and of charging and collecting tax in respect thereof, the Governor and Directors of the Bank of England shall act as Commissioners under this Act.

Bank of England, Bank of Ireland, and National Debt Commissioners.

The income to which this subsection applies is—

- 25 (a) income of Class G in respect of which the Bank of England is the person chargeable;
(b) income of Class D arising from the carrying on of the business of the Bank of England, and income assessable in like manner as income of Class D to which the Bank is entitled and in respect of which it is the person chargeable;
30 (c) the emoluments of any office or any pension payable by the Bank of England;
(d) all other income in respect of which tax is chargeable arising within any office or department under the management or control of Bank of England.

[1918, s. 68 (1) & (2) (a).]

[1918, s. 68 (2) (b).]

[1918, s. 68 (2) (c).]

[1918, s. 68 (2) (d).]

- PART XI.
—*cont.*
- [1918, s. 68
(1) & (2)
(a); Irish
Free State
(Conse-
quential
Adaptation
of Taxing
Acts) Order,
1923, Art. 6.]
- (2) For the purpose of assessing any income of Class G arising from securities inscribed or registered in the books of the Bank of Ireland at its principal office in Belfast and entrusted to the Bank of Ireland for payment, and of charging and collecting tax in respect thereof, such of the officers appointed by the Bank of Ireland under the Bank of Ireland (Belfast Register) Order, 1923, for the management of the said securities as the Treasury may nominate shall act as Commissioners under this Act. 5 10
- [1918, s. 68
(3).]
- (3) For the purpose of assessing—
- (a) income of Class G in respect of which the National Debt Commissioners are the persons chargeable; or
- (b) the emoluments of any office held under the National Debt Commissioners and payable by those Commissioners; or 15
- (c) any pension payable by those Commissioners in respect of the services of persons who have held office under them, whether payable to that person or to his widow or child or to any relative or dependant of his, 20
- and of charging and collecting tax in respect thereof, the National Debt Commissioners shall act as Commissioners under this Act. 25

Depart-
mental Com-
missioners.

355.—(1) For the purpose of assessing income to which this section applies, and of charging and collecting tax in respect thereof, Commissioners shall be appointed by the Board from amongst the officers of the Board :

[1918, s. 69
(part).]

Provided that where at the commencement of this Act Commissioners for any Government department are in practice appointed by the principal officer of that department from amongst the officers of that department, they may continue to be so appointed until the Treasury otherwise determine, and shall act as respects such income as aforesaid payable by or through that department. 30 35

(2) As respects income payable out of the public revenue of Northern Ireland, Commissioners shall be appointed by the Ministry of Finance for Northern Ireland from amongst the officers of that Ministry. 40

(3) The number of Commissioners appointed by any department under this section shall not be less than three nor more than seven.

PART XI.
—cont.

[1918, s. 69
(4) and (6).]

5 (4) All Commissioners appointed under this section shall continue to hold office during the pleasure of the appointing body, and where a new Commissioner is appointed, the appointing body shall notify his name to the Board.

(5) The income to which this section applies is :—

- 10 (a) pay and pensions to which section 183 applies;
- (b) pay and pensions to which section 184 applies, if payable by or through a Government department;
- 15 (c) income of Class G and Class L payable out of any public revenue by or through a Government department;

but does not include any income mentioned in section 354 in respect of which the Governor and directors of the Bank of England or the National Debt Commissioners act as Commissioners under this Act.

20 (6) This section, so far as it relates to pay or pensions, shall apply to the following offices as if they were Government departments, that is to say the offices of :—

- His Majesty's Household.
- The Duchy of Lancaster.
- The Duchy of Cornwall.
- The High Commissioner for India.
- 30 The Crown Agents for the Colonies.
- The Ecclesiastical Commissioners.
- Queen Anne's Bounty.
- The Commissioners of Church Temporalities in Wales.
- 15 The Trinity House.
- The Public Works Loan Commissioners.
- The Metropolitan Police :

40 Provided that the Treasury shall not, as respects any such office, exercise the power conferred by the proviso to subsection (1) of this section without the consent of the body concerned.

PART XI.
—cont.
Other Com-
missioners.
[1918, s. 69
(part), 1918,
s. 70.]

356.—(1) Subject to the provisions of the two last preceding sections, for the purpose of assessing income mentioned in the third column of Part I of the Fourth Schedule to this Act, and of charging and collecting tax in respect thereof, the bodies mentioned in the first 5 column of that Part of the said Schedule (being bodies which at the commencement of this Act appointed Commissioners) shall continue to be entitled to appoint Commissioners, and shall appoint them from amongst the persons mentioned in the second column of that Part 10 of the said Schedule.

(2) All Commissioners appointed under this section shall continue to hold office during the pleasure of the appointing body, and where a new Commissioner is appointed, the appointing body shall notify his name to 15 the Board.

(3) The number of Commissioners appointed by any body under this section shall not be less than three nor more than seven.

(4) Any body having the right to appoint Commis- 20 sioners under this section may relinquish that right, and thereupon any income assessable by such Commissioners shall be assessed, and tax in respect thereof charged and collected, either under the general provisions of this Act, or, with the consent of the Treasury, by the Commissioners 25 appointed by the Board under subsection (1) of the last preceding section.

(5) In the case of the bodies mentioned in the first column of Part II of the Fourth Schedule to this Act (which before the commencement of this Act had made arrange- 30 ments with the Board for the exercise by Commissioners appointed by the Board of the functions of the Commissioners previously appointed by those bodies, respectively, with respect to the assessment of the income mentioned in the second column of Part II of the said 35 Schedule), the Commissioners appointed by the Board under the last preceding section shall continue to act as Commissioners for the purpose of assessing the said income and charging and collecting tax in respect thereof.

General provisions as to Commissioners. 40

Validity of
acts of Com-
missioners.
[1918, s. 71

357. If any body of Commissioners fail to hold a meeting, or to make any appointment, or to do any other act required of them by this Act, within the time limited

by this Act, they shall do so as soon as may be after the expiration of that time, and any meeting so held, or appointment so made, or act so performed, shall be valid and effectual.

PART XI.
—cont.
and 1931,
44 (6) and
3rd Sch.]

5 358.—(1) Every Commissioner acting in the execution of this Act shall be chargeable with tax in the same manner as any other person.

Disqualifi-
cation of
Commis-
sioners to
take part in
determina-
tion of their
own cases.
[1918, s. 74.]

(2) No such Commissioner shall take part in any proceedings, or be present (except as an appellant or as a witness in an appeal), when any return or assessment or charge is under consideration, or any appeal is being heard or determined, with reference to any matter in which he is interested, either in his own right or in the right of any other person.

15 (3) A Commissioner who acts in contravention of this section shall be liable to a penalty not exceeding fifty pounds.

20 359.—(1) For the purposes of the execution of such of their duties as are by this Act required to be done at a meeting, the respective bodies of Commissioners, including the Land Tax Commissioners, shall hold meetings as often as the case may require, and within the times, if any, limited by or under this Act for the purpose :

Meetings of
Commis-
sioners.
[1918, s. 64
(2) (part).]

25 Provided that the first meeting of the General Commissioners in every year of charge shall be held before such date as may be prescribed.

[1918, s. 66
(1).]

(2) At a meeting of a body of Commissioners or any committee thereof all questions shall be decided by a majority of those present and voting.

[1918,
ss. 62 (5),
66 (5) and
137 (4).]

30 (3) The quorum at a meeting of any body of Commissioners or any committee thereof shall be two, and anything authorised or required under this Act to be done by Commissioners may, save as otherwise expressly provided by this Act, be done by any two or more of them.

[1918, ss. 62
(5), 230 (2).]

35 (4) In the event of a sufficient number of General Commissioners not attending to allow and sign in due time the assessments or duplicates for any parish, any two General Commissioners acting within the same county shall allow and sign any such assessments or
40 duplicates.

[1918,
s. 234.]

(5) Where by this Act any powers of any body of Land Tax, General or Additional Commissioners are required to be executed at a meeting of the Commissioners,

[1918, s. 64
(2) (part).]

PART XI. the meeting shall be held within the division for which
 —cont. they act:

Provided that any such meeting may be held and any such powers may be executed—

- (i) within any city, town, or place being a county of itself, or otherwise having exclusive jurisdiction, which adjoins the division; or
- (ii) with the consent of the Board, at any place outside the boundary of the division.

Power to consult Board of Education, etc.
 [1920, ss. 21 (4) and 28 (3).]

360. If any question arises as to whether any person is receiving full-time instruction at a university, college, school or other educational establishment, the Commissioners may, through the Board, consult the Board of Education, the Scottish Education Department, or the Governor of Northern Ireland, as the case may require.

OFFICERS.

Inspectors and other officers of the Board.

Inspectors and other officers of the Board.
 [1918, ss. 57 (2) and 75 (1).]
 53 & 54
 Vict. c. 21.
 [1918, ss. 57 (3) and 75 (1).]
 [1918, s. 75 (2).]

361.—(1) The Board shall in the exercise of their powers under the Inland Revenue Regulation Act, 1890, appoint inspectors and such officers and other persons for collecting, receiving, managing and accounting for tax as are not required to be appointed by some other authority.

(2) The inspectors and the holders of other offices appointed by the Board shall throughout the United Kingdom have power to execute the duties of their respective offices, and to enforce, in the execution thereof, all laws and regulations relating to tax, and shall follow the orders, instructions and directions of the Board.

(3) The Treasury may fix the salaries and allowances of the inspectors and other officers appointed by the Board, and may discharge such incidental charges and expenses in connection with the execution of this Act as the Treasury may think proper.

Clerks to Commissioners.

Clerks to Commissioners.
 [1918, s. 66 (2) and (7).]

362.—(1) At the first meeting of the General Commissioners in the year of charge in which this Act comes into operation the Commissioners shall appoint a fit person to be their clerk, and whenever a vacancy occurs in the office of clerk the General Commissioners shall appoint a person to fill the vacancy.

- (2) The General Commissioners may, if they think fit, appoint a fit person to be assistant clerk. [1918, s. 66 (2).]
- (3) The clerk and the assistant clerk (if any) shall hold office during the pleasure of the General Commissioners. [New.]
- (4) The clerk to the General Commissioners or the assistant clerk shall act as clerk to the Additional Commissioners. [1918, s. 66 (3).]
- (5) The clerk and assistant clerk shall act under the directions of the General and Additional Commissioners. [1918, s. 66 (4).]
- (6) Any Commissioners appointed under section 355 or section 356, and the National Debt Commissioners, may appoint a clerk to hold office during their pleasure. [1918, s. 72.]
- 363.**—(1) A person who holds the office of clerk or assistant clerk to the General Commissioners shall receive as remuneration such sum as the Board with the consent of the Treasury may determine. [Remuneration of clerks to Commissioners. 1918, s. 66 (9).]
- (2) A clerk to any body of Commissioners appointed under section 355 or section 356 shall receive such remuneration, if any, as the Treasury may determine. [1918, s. 69 (8).]
- (3) A clerk or assistant clerk shall not demand or receive any fee, gratuity, or perquisite for anything done by him as clerk in pursuance of this Act, from any person otherwise than as permitted by this Act. [1918, s. 66 (8).]
- 364.** If a clerk or assistant clerk to any body of Commissioners—
- (a) wilfully obstructs or delays the execution of this Act; or
- (b) negligently conducts or wilfully misconducts himself in the execution of this Act;
- he shall be liable to a penalty not exceeding one hundred pounds, and shall be dismissed from his office, and be incapable of again acting as clerk or assistant clerk. [Penalties on clerks to Commissioners. 1918, s. 66 (10).]

Assessors.

- 365.**—(1) Before the prescribed date in each year of charge the General Commissioners shall appoint for each parish in their division a fit person to act as assessor: Provided that the Commissioners if they think fit may appoint more than one assessor for a parish, or may appoint the same person assessor for each of two or more parishes. [Appointment of assessors. 1918, s. 76 (1), (2) and (5).]

PART XI.
—cont.

(2) Every person so appointed shall appear before the Commissioners at a meeting held not more than ten days after the day of appointment, and on his appearance there shall be issued to him a warrant of appointment, signed by the Commissioners, together with such instructions as may be necessary for carrying this Act into execution. 5

[1918, s. 76
(3).]

(3) An assessor's appointment shall be for the year of charge, but he shall continue in office after that year until another assessor is appointed. 10

[New.]

(4) If a vacancy occurs in the office of assessor during a year of charge, the Commissioners may appoint a person to fill the vacancy.

[1918, s. 76
(7).]

(5) If there is a failure in the appointment of an assessor for any parish whereby the charge of tax is likely to be delayed, the justices having jurisdiction in the parish, or any two of them, shall, on notice of such failure from the inspector, appoint an assessor and issue to him a warrant in the manner directed for the appointment of an assessor by the Commissioners. 15 20

[1918, s. 77
(1).]

(6) If for any parish—

(i) an assessor is not appointed; or

(ii) an assessor, having been appointed, does not take upon himself the office

the inspector may carry out the duties of assessor for the parish until an assessor is appointed and takes upon himself the office. 25

Assessors in
depart-
ments, etc.

[1918, s. 72.]

366. For the purpose of the assessment of any income assessable by the bodies of Commissioners appointed under section 355 or section 356— 30

(a) the Commissioners appointed by the Board may appoint a separate assessor for each House of Parliament, department, office, and court as respects which they act, from amongst the officers thereof; 35

(b) any other such body of Commissioners may appoint an assessor from amongst the officers of the body by whom the Commissioners are appointed.

Remunera-
tion of
assessors.

[1918, s. 78.]

367.—(1) An assessor appointed by the General Commissioners shall receive by way of remuneration— 40

(a) in each year, in respect of assessments of income other than income of Class A and Class B, such

sum as the Board, with the consent of the Treasury, may determine; PART XI.
—cont.

5 (b) in any preparatory year or year of revaluation in which he acts as assessor for the purpose of making valuations of rental values and of assessing income of Class A and Class B, such additional sum as the Board, with the like consent, may determine.

10 (2) An assessor appointed by any other Commissioners shall receive such remuneration, if any, as the Treasury may determine. [1918, s. 69
(8).]

15 **368.** If an assessor wilfully neglects or refuses to make his assessments in accordance with this Act, or otherwise to perform his duty in the due and speedy execution of this Act, he shall for every such offence be liable to a penalty not exceeding twenty pounds. Penalties on assessors.
[1918, s. 79
(2) and (3).]

Collectors.

20 **369.**—(1) For every parish there shall be one or more collectors of taxes appointed by warrant by the Board. Appointment of collectors.

(2) A collector shall hold office during the pleasure of the Board and shall be paid such remuneration as the Treasury may determine. [1918, ss. 80
and 84;
1931, s. 37.]

25 (3) The same person may be appointed collector for each of two or more parishes. [1931, s. 37
(2).]
[New.]

(4) A collector shall give such security for the due performance of his duties as the Board may require. [1918, ss. 81
and 82.]

30 (5) The warrant appointing a collector shall authorise the collection and recovery by him of the sums specified in all duplicates which may from time to time be delivered to him, whether originally delivered to him or to his predecessor.

35 **370.**—(1) For the purpose of the collection of tax in respect of any income assessable by the bodies of Commissioners appointed under section 355 or section 356— Collectors in departments, etc.
[1918, s. 72;
1931, s. 44
(b) and 3rd
Sch.]

(a) the Commissioners appointed by the Board may appoint a separate collector for each House of

PART XI.
—cont.

Parliament, department, office, and court as respects which they act, from amongst the officers thereof;

(b) any other such body of Commissioners may appoint a collector from amongst the officers of the body by whom the Commissioners are appointed :

Provided that for the purpose of the collection of tax in respect of income assessed by the Commissioners for the City of Liverpool appointed under section 356 a collector appointed by the Board under section 369 shall act. 10

[1931, s. 37
(2).]

(2) A collector appointed under this section shall hold office during the pleasure of the Commissioners by whom he was appointed, and shall be paid such remuneration, if any, as the Treasury may determine, and shall give such security for the due performance of his duties as the Board may require. 15

Proceedings
against
collector or
his sureties.
[1918, s.
180 (1) and
(2).]

371.—(1) On the trial of any action against the sureties of a collector on a bond entered into by way of security under this Act or any enactment repealed by this Act, or on the execution of a writ of inquiry of damages in any such action, the production of an account, in the handwriting of the collector or signed by him, of any sum collected or received by him on account of the tax given to him in charge for collection shall be sufficient proof of the receipt by the collector on that account of every sum therein mentioned. 25

(2) A schedule of deficiencies certified by a collector in pursuance of this Act, and containing, or purporting to contain, the names of persons who have made default in payment of the tax and the sums remaining in arrear, shall, in any such action and upon all other occasions, be sufficient evidence to render the collector and his sureties, respectively, liable for all sums comprised in the duplicates given to him in charge to collect, other than those so shown to be in arrear or previously accounted for and paid over to the proper officer, and all such other sums shall be deemed to have been collected and received by the collector and to remain in his hands. 30 35 40

(3) A collector shall, for the purpose of any criminal proceedings brought against him for any offence alleged to have been committed by him as such collector, be deemed to be employed in the public service of the Crown, and to be an officer of the Board.

PART XI.
—cont.
[1918, s. 86
(3).]

372. If a collector neglects to comply with any of the provisions of this Act or to perform any of his duties thereunder, he shall be liable to a penalty not exceeding twenty pounds.

Penalties on collectors.
[Based on
1918, s. 184.]

10 GENERAL PROVISIONS AS TO COMMISSIONERS AND OFFICERS.

373.—(1) Every person appointed to one of the offices mentioned in the Fifth Schedule to this Act shall, before he begins to act in the execution of this Act, make the appropriate declaration in that Schedule contained.

Declarations by officers.
[1918, s. 89
(1).]

(2) The declaration may be made before any General, Additional, or Special Commissioner, but where it is made by any such Commissioner, it shall be made either before a General Commissioner or a Special Commissioner.

[1918, s. 89
(2).]

(3) Any person who—

(a) acts in the execution of any such office without having previously made such declaration; or

[1918, s. 89
(3).]

(b) in contravention of any such declaration made by him discloses any particulars contained in any return or other document delivered under this Act, or any evidence or answer given, or any assessment or charge made under this Act, or any particulars in any assessment book, or the amount of any sum paid or to be paid under this Act,

shall be liable to a penalty not exceeding one hundred pounds.

(4) The obligation as to secrecy imposed by this Act shall not prevent any authorised officer of the Board from disclosing—

(a) to any authorised officer of the Government of a Dominion, such facts as may be necessary to enable the appropriate relief to be given in cases where relief is claimed both from United

[1920, s. 27
(6).]

PART XI.
—cont.

Kingdom tax and from Dominion income tax, and under the law in force in the Dominion provision is made for relief from Dominion income tax on account of liability to United Kingdom tax; or

5

[1923,
s. 18 (3);
1924, s. 31;
1930,
s. 17 (3);
1931, s. 9.]

(b) to any authorised officer of a foreign State, or of a part of His Majesty's dominions, mentioned in an Order in Council made in pursuance of section 112 or section 113, such facts as may be necessary to enable the appropriate relief to be given in accordance with the arrangements specified in the Order;

10

[1927, s. 53.]

(c) to any authorised officer of the Government of Northern Ireland, such facts as may be necessary for the purpose of determining the liability of any person to any taxes or duties placed under the care and management of the Ministry of Finance for Northern Ireland or the title of any person to repayment or allowance of any such taxes or duties.

20

Reports as
to failures of
officers in
execution
of Act.
[1918,
s. 174.]

374.—(1) Any inspector, whenever he sees occasion, may report to the General Commissioners in any case where there has been a failure—

(i) in assessing any income or charging any standard tax; or

25

(ii) on the part of the clerk to the Commissioners in making out any duplicate of charge, or in doing any other act required by this Act to be done by him.

(2) Every such report shall set forth—

30

(a) the particulars of the complaint of the inspector against the person complained of; and

(b) a recommendation by the inspector as to the action to be taken thereon.

(3) On receipt of any such report the Commissioners shall hold a meeting within a reasonable time, and the inspector shall have notice of, and attend, the meeting, and assist in the consideration of the measures to be taken in the execution of this Act.

35

5 **375.** In any proceedings under or arising out of this Act, prima facie proof of the fact that any person was a Commissioner or officer may be given by proving that, at any material time, that person was reputed to be or had acted as a Commissioner or officer.

PART XI.
—*cont.*
Proof that a person is a Commissioner or officer.
[1918, s. 233.]

376. No Commissioner or collector and no officer or person employed under the authority of the Board in relation to tax shall be compellable to serve on any jury.

Exemption from service on juries [1918, ss. 231 and 232.]

10 **377.** Any penalty to which any person is liable under this Part of this Act shall be recoverable in like manner as penalties under Part X, and sections 340 to 343 shall apply accordingly.

Recovery of penalties under Part XI.
[1918, s. 22. (3); 1923, s. 23 (1).]

AREAS.

15 **378.—(1)** Subject to the provisions of this section, the parishes for which assessments of income and charges of tax are to be made and for which assessors and collectors are to be appointed shall, in England elsewhere than in the City of London, be the parishes for the time being existing for the purposes of local government administration.

Parishes for purposes of assessment and charge. [1918, s. 90 1930, s. 29 (2).]

No alteration of a parish for the purposes of local government administration shall take effect for the purposes of this Act until such dates as are hereinafter mentioned, that is to say—

25 (a) outside London, any such alteration shall take effect—

30 (i) for the purposes of revaluation under section 260, from the commencement of the next year of charge which is a preparatory year;

(ii) for all other purposes of this Act, from the commencement of the year of charge immediately following that preparatory year; and

PART XI.
—cont.

(b) in London, any such alteration shall take effect, for all purposes of this Act, from the commencement of the next year of charge which is a year of revaluation.

[1918, s. 90
(3); 1930, s.
29(4); 1931,
3rd Sch.]

(2) If at any time the Board consider that a parish is so large that it ought to be divided into parts for which separate assessors and collectors should be appointed, they may certify in writing to the body or bodies of General Commissioners having jurisdiction therein that the parish shall be divided into the parts specified in the certificate at the time therein mentioned, and thereafter each of those parts shall be treated as a separate parish. Any such division may be cancelled or altered by the Board at any time by a like certificate.

[1918, s. 90
(2); 1930,
s. 29 (3).]

(3) If in consequence of an addition of any area to a parish, that parish would become partly in the jurisdiction of one body of General Commissioners and partly within the jurisdiction of one or more other such bodies, the Board may by order determine which body shall have jurisdiction, and thereupon the whole of the parish shall be within the jurisdiction of that body :

Provided that the Board may, before or in lieu of making such an order, by order direct that the added area, or any part thereof, shall be treated as a separate parish, and determine which body of Commissioners shall have jurisdiction therein.

(4) This section shall, as respects the places mentioned in the Sixth Schedule to this Act, have effect subject to the provisions of that Schedule.

Transfer
and union of
parishes.

[1918, s. 93
(1)-(4).]

379.—(1) For the purposes of this Act, at any meeting convened for the purpose—

(a) the Land Tax Commissioners for any county may transfer any parish in the county from the division to which it belongs to any other division of the same county, or to a new division of the same county, which they are hereby empowered to create;

(b) the Land Tax Commissioners for any division may unite any two or more parishes within the division.

(2) Every such transfer or union of parishes shall be subject to approval by the Board, and, on such approval, shall be certified in writing by the Board to the General Commissioners of the division or divisions affected, and as from the time fixed by the Board—

PART XI.
—cont.

(a) the General Commissioners for the division so extended or created shall have jurisdiction under this Act within the parish so transferred; and

(b) any parishes so united shall, for all the purposes of this Act, be treated as one parish.

(3) Where parishes have been united as aforesaid and the union proves to be inconvenient, the Board, on receipt of a resolution passed by the Land Tax Commissioners for the division, at a meeting convened for the purpose, may, if they think fit, dissolve the union as regards all or any of the parishes so united.

[1918, s. 93
(5).]

MISCELLANEOUS.

380. No receipt, certificate of payment, affidavit, appraisalment or valuation given or made in pursuance and for the purposes of this Act, and no bond or other security given under this Act by a collector or other person in respect of the collection, accounting for, or remitting of tax, shall be liable to any stamp duty.

Receipts,
etc., exempt
from stamp
duty.
[1918,
s. 217.]

381.—(1) All assessment books, duplicates, minute books, and other public books and papers with which any body of General Commissioners is concerned, in whosoever custody or possession they may for the time being happen to be, shall be the property of those Commissioners, but they may commit any such books or papers to the custody of their clerk for the time being, or of such other person as they may direct.

Delivery to
General
Commis-
sioners of
assessment
books, etc.
[1918,
s. 218.
[1918,
s. 219.]

(2) Any person who has in his custody or possession any books or papers relating to tax shall, within one month after being required by notice in writing from the Board to do so, deliver them to the person named in the notice, whose receipt shall be a sufficient discharge to him.

If any person fails to comply with any such notice he shall be liable to a penalty not exceeding fifty pounds.

PART XI.
—cont.
Provision
for cases
where docu-
ments have
been lost,
destroyed, or
damaged.

382.—(1) Where any assessment book or any duplicate of charge, or any return or other document relating to tax, has been lost or destroyed, or has been so defaced or damaged as to be illegible or otherwise useless, the Board, the Commissioners, inspectors, assessors, collectors, and other officers respectively having powers in relation to tax, may, notwithstanding anything in any enactment to the contrary, do all such acts and things as they might have done if the book or document in question had not been made or delivered.

[1920, s. 61.]

(2) All acts and things done under or in pursuance of this section shall be as valid and effectual for all purposes as they would have been if the book or document in question had not been made or delivered or been required to be made or delivered :

Provided that, where any person who is charged with tax in consequence or by virtue of any act or thing done under or in pursuance of this section has already paid any tax in respect of the income in respect of which he is so charged, he shall, on a claim being made for the purpose, be entitled to relief to the extent to which the liability of that person has been discharged by the payment so made, either by abatement from the charge or by repayment, as the case may require.

Execution
of warrants
and
precepts.
[1918,
s. 214.]

383. Warrants and precepts of the General Commissioners shall be executed by the persons to whom they are directed in any part of the county within a division of which those Commissioners have jurisdiction, without prejudice, however, to the powers of executing warrants outside the county conferred by section 326.

Want of
form or
errors not
to invali-
date docu-
ments, etc.
[1918,
s. 216.]

384.—(1) An assessment, charge, warrant, or other process which purports to be made in pursuance of this Act shall not be quashed or held to be void or voidable for want of form, or be affected by a mistake or omission therein, if it is in substance and effect in conformity with and according to the intent and meaning of this Act and if the income assessed and the person intended to be affected thereby is designated therein according to common intent and understanding.

(2) An assessment or a charge shall not be impeached or affected by reason of any variance between the assessment or charge and the notice thereof.

PART XI
—cont.

(3) This section shall not apply to any charge unless the notice has been duly served on the person intended to be charged, and the notice contains in substance and effect the particulars on which the charge is made.

385. The provisions of this Act shall, as respects the City of London, have effect subject to the provisions of the Seventh Schedule to this Act.

Application of Act to the City of London.

PART XII.

SPECIAL PROVISIONS APPLICABLE TO SCOTLAND.

386. The general provisions of this Act shall, in their application to Scotland, have effect subject to, and so far only as they are applicable consistently with, the special provisions contained in this Part.

Special provisions applicable to Scotland.
[Based on 1918, s. 186.]

Assessment of income of Classes A and B.

387. For paragraph (a) of subsection (1) of section 246 the following paragraph shall be substituted:—

Returns as to annual value of land in Scotland.

(a) for a year of re-valuation the assessor may, and if so required by the inspector shall, as respects any land within his area, give to the occupier of the land notice in writing to deliver to him a return containing such particulars relating to the land as may be prescribed:

Provided that—

(i) where the person chargeable with tax in respect of income of Class A arising from the land is some person other than the occupier, a notice shall also be given to such other person;

(ii) if the assessor, when required by the inspector, has neglected to give such a notice, the inspector may give the notice;

PART XII.
—cont.

17 & 18 Vict.
c. 91.

(iii) where the inspector by virtue of subsection (4) of section 395 acts as assessor, no such notice shall be given if the inspector is satisfied that the return received by him under the Lands Valuation (Scotland) Act, 5 1854, contains all the particulars necessary for making a correct provisional assessment in respect of the income arising from the land to which the return relates.

Assessment
of income of
Class A and
Class B in
Scotland in
a year of
reevaluation.

388. With respect to the assessment for a year of 10
reevaluation of income of Class A and Class B arising from
land in Scotland, the following provisions shall have
effect:—

(1) As respects any land in his area—

(a) where the assessor is satisfied that the 15
particulars necessary for the determination of
the annual value contained in the return
delivered to him are correct and sufficient he
shall make provisional assessments of the
annual value, and, where required, of the 20
occupation value, of the land in accordance
with those particulars;

(b) in any other case, the assessor shall, to
the best of his information and judgment,
estimate the annual value of the land, and 25
shall make provisional assessments of the
annual value, and, where required, of the
occupation value, of the land in accordance
with that estimate.

(2) On or before the day appointed for the purpose 30
by the General Commissioners, not being later
than the prescribed date, the assessor shall
certify all the provisional assessments so made,
and shall deliver them to the Commissioners,
together with all the returns delivered to him 35
relating to such assessments.

(3) The clerk to the General Commissioners shall
deliver to the inspector for examination the pro-
visional assessments so certified, and the in-
spector shall have the right at any time to 40
examine any such return as aforesaid.

- (4) The General Commissioners shall take into consideration the provisional assessments certified by the assessor after they have been examined by the inspector, and—

PART XII.
—cont.

5 (a) if, as respects any such provisional assessment, no objection has been made by the inspector and the General Commissioners are satisfied that it is correct, they shall make an assessment in accordance with the provisional assessment;

10 (b) if, as respects any such provisional assessment, the General Commissioners are not satisfied that it is correct, or objection has been made by the inspector and he applies for the revision thereof and suggests in writing any error or omission in such provisional assessment, the General Commissioners shall make an assessment to the best of their judgment;

20 and shall allow and sign the assessments so made.

(5) On any such assessment being allowed and signed the General Commissioners shall cause notice thereof to be given to the person chargeable.

25 (6) The occupier of any land, and any owner or other person in receipt of the rent of any land, who is aggrieved by any assessment so allowed, or by the charge of tax in consequence thereof, shall be entitled to appeal, in manner provided by Part VIII of this Act, on giving notice in writing to the inspector within twenty-one days after the date of that notice.

30 (7) For the purposes of the foregoing paragraphs " assessor " includes an inspector who by virtue of subsection (4) of section 395 acts as assessor, and where an inspector so acts the provisions in those paragraphs relating to examination and objection by the inspector shall not apply.

40 389. With respect to the assessment, for a year not being a year of revaluation, of income of Class A and Class B arising from land in Scotland, the Assessment of income of Class A and Class B in

PART XII. preceding section shall apply subject to the following modifications :—

—*cont.*
Scotland in a year other than a year of revaluation.

- (a) the inspector shall in all cases act as assessor, and consequently the provisions as to examination and as to objection by the inspector shall not apply; 5
- (b) paragraphs (1) and (4) shall be subject to the provisions of subsection (3) of section 258, as to the amount to be taken as the rental value, and where on an appeal the appellant contends 10 that the amount so to be taken is excessive the rental value shall be determined according to the circumstances of the year of charge;
- (c) where the amount of the assessment is the same as in the preceding year it shall not be necessary 15 to give notice of assessment on the allowance of the assessment, but where no such notice is given the amount of the annual value or the occupation value, as the case may be, shall be stated in the demand note, and, for the purposes 20 of the right of appeal, the delivery of the demand note shall be treated as the giving of notice of assessment.

Appeals.

Jurisdiction of High Court.
[1918, s. 235.]
[1918, s. 149 (3).]

390. The jurisdiction of the High Court under section 298 shall be exercised in Scotland by the Court of Session sitting as the Court of Exchequer, and an appeal shall lie to the House of Lords from a decision by the Court of Session under that section. 25

Collection and recovery.

30

Recovery.
[1918, s. 166 (1).]

391.—(1) Upon certificate made to them by a collector that any tax is due and not paid, the General Commissioners or the sheriff shall issue a warrant for the collector to recover the tax by poinding the goods and effects of any person entered in the certificate as being a defaulter, and any person who has made default in paying any sum which may be levied on him in respect of tax may be entered in the certificate as a defaulter, notwithstanding that he was not named in the charge. 35

PART XII.
—cont.

- (2) The warrant shall be executed by the sheriff's officers. [1918, s. 166 (2).]
- (3) The goods and effects pointed shall be kept for five days at the place where they were pointed, or at such other place (notice whereof shall be given to the owner), near to the said place, as the officer pointing the same thinks proper. [1918, s. 166 (3) (part).]
- (4) During the said five days the goods and effects shall remain in the custody of the officer unless the owner redeems them within the said five days by payment to the officer of the tax in arrear and costs, to be settled in the same manner as if the goods and effects had been sold as hereinafter directed. [1918, s. 166 (3) (part).]
- (5) The goods and effects pointed shall, after the expiration of the said five days, be appraised by two persons to be appointed by the officer and shall, unless within five days after the appraisal the owner redeems them by payment of the appraised value, be sold by the officer at a sum not less than that value. [1918, s. 166 (4) and (5) (part).]
- (6) If such sum as aforesaid is not realised at the sale, the goods and effects shall be lodged in the hands of the sheriff, and if not redeemed within five days after the lodgment they shall be sold by order of the sheriff in such manner and at such time and place as he may appoint. [1918, s. 166 (7) (part).]
- (7) The proceeds of the redemption or sale (whether the sale was effected by order of the officer or sheriff) shall be applied— [1918, s. 166 (5) (part) and (7) (part).]
- (a) in payment of the tax to the collector;
- (b) in payment to the officer and sheriff of such expenses as are hereinafter mentioned;
- (c) in payment to the officer of a fee at the rate of two shillings per pound of the tax for which the goods were pointed; and
- (d) if the sale was effected by order of the sheriff and any surplus remains, in payment to the sheriff of a fee of one shilling per pound of the value of the goods disposed of,
- and the residue, if any, shall be returned to the owner of the goods. [1918, s. 166 (6).]
- (8) There shall be allowed to the officer the expense of preserving the goods and effects, including the maintenance of cattle, if any, until redemption or sale, and [1918, s. 166 (8).]

PART XII. also the expense of the sale, and similar expenses shall be
—*cont.* allowed to the sheriff.

[1918,
s. 166 (9).] (9) Any person selling any goods or effects by any
mode of sale at auction shall, at least three days before
he begins the sale, deliver to the collector within whose 5
district the sale is to be held a notice in writing signed
by him, stating the day when the sale is to begin and
the name and address of the person whose goods and
effects are to be sold, and if he fails to do so, he shall be
liable to a penalty not exceeding fifty pounds, recover- 10
able in manner provided by sections 340 to 343, as
modified by section 394.

[1918,
s. 166 (8).] (10) Where goods or effects sufficient for payment
of the tax cannot be found to be poinded, it shall be 15
lawful for the sheriff, by warrant, to commit the de-
faulter to prison, there to be kept, without bail, until
payment is made or security for payment is given.

Priority of
claim for tax
over other
claims.
[1918,
s. 167.] 392.—(1) No moveable goods and effects belonging
to any person at the time any standard tax became in 20
arrear or was payable shall be liable to be taken by
virtue of any poinding, sequestration for rent, or diligence,
or by any assignation, unless the person proceeding to
take the goods and effects pays to the collector the tax
in arrear, or so much of the tax in arrear as represents
tax for one whole year. 25

(2) If the standard tax in arrear, or the tax for one
whole year, as the case may be, is not so paid, the tax
shall, notwithstanding that the goods and effects have
been so taken as aforesaid, be recoverable as provided
in the last preceding section. 30

Recovery
by
proceedings
in Court.
[1918,
s. 235.] 393.—(1) Proceedings for the recovery of any tax
which in England may be taken before the High Court
may in Scotland be taken before the Court of Session
sitting as the Court of Exchequer.

(2) Any such proceedings may be taken in the name 35
of the Lord Advocate.

Penalties.

Proceedings
for penalties.
[1918,
s. 235.] 394.—(1) Proceedings for the recovery of a
pecuniary penalty which in England may be taken before 40
the High Court may in Scotland be taken before the
Court of Session sitting as the Court of Exchequer, or
before the sheriff.
[1918,
s. 221 (4).]

(2) Any such proceedings may be taken in the name of the Lord Advocate. [1918, s. 221 (1).]

(3) Proceedings before the sheriff shall be by information in writing, and the judgment of the sheriff shall be final and conclusive, and shall not be removeable into any court. [1918, s. 221 (5).]

(4) Subject to the foregoing provisions of this section, sections 340 to 343 shall apply with the necessary modifications.

10

Administration.

395.—(1) The sheriffs of any county or division shall be ex-officio, and without any other qualification, General Commissioners for the county or division. Administration. [1918, s. 59 (4).]

15

(2) (a) The powers of the Land Tax Commissioners under subsection (4) of section 347 to choose persons to act as General Commissioners and to be placed on the list for supplying vacancies shall— [1918, s. 59 (6) (e); 1930, s. 30.]

20

(i) in the case of the division comprised in the area of the municipal jurisdiction of the Lord Provost and Bailies of the Ancient Royalty of Edinburgh, be exercised by the Lord Provost and Bailies;

25

(ii) in the case of the division of the City of Glasgow, be exercised by the Lord Provost and Bailies of the City of Glasgow;

(iii) in any other case, be exercised by the county council:

30

(b) Such persons shall be chosen—

35

(i) in the case of the Ancient Royalty of Edinburgh and the City of Glasgow, respectively, at a special meeting of the Lord Provost and Bailies convened by the town clerk for that purpose, to be held not later than three months after the receipt by the town clerk of a notice from the Board requiring such persons to be chosen;

40

(ii) in the case of a county council, at the first general meeting of the council which is summoned after the receipt by the county clerk of such a notice as aforesaid, and the notice summoning that meeting shall specify

PART XII.
—cont.

the choice of persons to act as General Commissioners as an item of business to be transacted at that meeting.

(c) The persons to be chosen shall be persons who possess the requisite qualification and reside in the division.

[1918, s. 65
(1) (c).]

(3) A Land Tax Commissioner who is a provost, bailie, dean of guild, treasurer, master of the merchants company, or deacon convener of the trades for the time being of any royal burgh, or any bailie for the time being of any borough of regality or barony of Scotland, shall require no other qualification for being a General Commissioner.

[1918,
s. 76 (8).]
17 & 18 Vict.
c. 91.

(4) Where an inspector has been appointed to be the assessor under the Lands Valuation (Scotland) Act, 1854, for any county or burgh, he shall act as assessor for the purposes of this Act, and no other person shall be appointed assessor.

[1918, s. 96.]

(5) Where any land is partly in the jurisdiction of one body of General Commissioners and partly in the jurisdiction of another, or where it is desirable, for the convenience of assessment, to transfer any land from the jurisdiction of one body of General Commissioners to the jurisdiction of another such body, the Board, at the request of the General Commissioners concerned, shall, by order in writing, determine which body of General Commissioners shall have the jurisdiction, and the whole land shall be within such jurisdiction accordingly.

Areas in
Scotland.

396. The areas for which assessments of income and charges of tax are to be made, and for which assessors and collectors are to be appointed, shall in Scotland be the several divisions for which separate bodies of General Commissioners are appointed, and the provisions of this Act shall apply as if each such area was a parish :

Provided that, if the Board consider that any such division ought for the purposes aforesaid to be sub-divided into parts, they may certify in writing to the body of General Commissioners having jurisdiction therein that the division shall for the purposes aforesaid be sub-divided into the parts specified in the certificate at the time therein mentioned, and thereafter each of those parts shall be treated as a separate area. Any such sub-division may be cancelled, or a new sub-division made, by the Board at any time by a like certificate.

PART XIII.

SPECIAL PROVISIONS APPLICABLE TO
NORTHERN IRELAND.

397. The general provisions of this Act shall, in
5 their application to Northern Ireland, have effect subject
to, and so far only as they are applicable consistently
with, the special provisions contained in this Part, and
references in this Act to any Acts in force in Great Britain
shall be construed as references to the corresponding
10 enactments in force in Northern Ireland.

Special provisions applicable to Northern Ireland. [1918, s. 186.]

Income of Classes A and B.

398.—(1) For the purpose of ascertaining the
assessable income of Class A, sections 12 and 13 shall not
15 apply, and the rental value of any land shall (except as
otherwise in this section provided) be the value of that
land as appearing in the valuation list for the time being
in force for the purposes of poor rates.

Rental value for purposes of Class A. [1918, s. 187 (1).]

(2) Where the person chargeable shows that the
20 rental value of any land ascertained according to sub-
section (1) of this section exceeds the annual rent at which
the land is worth to be let from year to year, such rent
shall be adopted as the rental value.

[1918, s. 187 (4).]

(3) In the case of any land which, by virtue of sec-
25 tion two of the Valuation (Ireland) Act, 1854, is exempt
from assessment for rates, the rental value for the purposes
of this Act shall be the rent payable to the immediate
lessor of the tenant-occupier :

[1918, ss. 187 (6) and 194.] 17 & 18 Vict. c. 8.

Provided that if and so long as that lessor is, by
30 virtue of section seven of the Valuation Acts Amend-
ment Act (Northern Ireland) 1932, liable to pay to the
tenant or allow by way of deduction any sum, the rental
value of the land shall be the amount of that rent reduced
by the amount so to be paid or allowed.

21 & 22 Geo. 5. (N.I.) c. 26.

399.—(1) For the purpose of ascertaining the
35 assessable income of Class B, the rental value of any land
shall be the value of the land appearing in the valuation list
for the time being in force for the purposes of poor rates :

Rental value for purposes of Class B. [1918, s. 187 (1).]

Provided that where as respects any land—

40 (a) the judicial rent fixed under the Land Law
(Ireland) Acts or any of them; or

PART XIII.
—cont.

(b) the annual interest payable to the Land Purchase Commission, Northern Ireland, in lieu of rent under the Land Purchase (Ireland) Acts or any of them; or

(c) the purchase annuity payable under the Land Purchase (Ireland) Acts or any of them,

is less than the value so appearing, the amount of the judicial rent, of the annual interest in lieu of rent, or of the purchase annuity, as the case may be, shall be the rental value of the land.

[1918,
s. 167 (4).]

(2) Where the person chargeable shows that the rental value of any land ascertained according to subsection (1) of this section exceeds the annual rent at which the land is worth to be let from year to year, such rent shall be adopted as the rental value.

Persons chargeable and rights of deduction of tax.

Person chargeable in respect of income of Class A.

[1918,
ss. 187 (2)
and (5)
194; 203.]

400. The person chargeable with tax in respect of income of Class A shall (where the owner is not the occupier) be the landlord of the occupier of the land, but if the rental value adopted for the purposes of the assessment exceeds the rent payable by the occupier to the landlord reduced by the amount of poor rates, if any, borne by him in the year of charge, the landlord shall be chargeable in respect of an amount equal to the rent, or the rent so reduced, and the occupier shall be chargeable in respect of an amount equal to the balance, subject to such adjustments as may be necessary to apportion between the landlord and the occupier the benefit of the repairs deduction :

Provided that if in any case the Special Commissioners so direct, the person rated to poor rates in respect of the land shall be the person chargeable.

Limitation of deductions under s. 73 in certain cases.

[1918,
s. 201.]

401. Where under subsection (3) of section 73 a person is entitled to deduct tax from a payment made by him, and the payment is one from which by law he is entitled to deduct any sum on account of poor rates, the amount allowed to be deducted under that subsection shall be calculated by reference to the amount of the tax on the payment reduced by the sum allowed to be deducted on account of poor rates.

Assessments and appeals.[PART XIII.
—cont.]

402.—(1) Assessments of income of every Class (except income of Class G, where the person chargeable is the person entrusted with the payment of the income, and income of Class L) shall be made in accordance with the procedure regulating assessments by the Special Commissioners, and section 274, including the provisions as to appeal, shall apply accordingly, except that in the case of an appeal against assessments of income of Class A, Class B, Class E, Class F or Class N it shall not be necessary to specify the grounds of appeal :

Assessments, and appeals therefrom. [1918, ss. 188 and 189.]

Provided that if on an appeal against an assessment the person chargeable is aggrieved by the determination of the Special Commissioners, he may, instead of requiring a case to be stated for the opinion of the High Court, on giving notice in writing to the inspector within ten days from the determination of the appeal, require the appeal to be re-heard in manner hereinafter provided.

[1918, s. 195.]

(2) The provisions of section 298 shall apply to all cases stated for the opinion of the High Court in Northern Ireland, except that leave shall not be necessary for an appeal to the House of Lords.

403.—(1) Where a person has so required the re-hearing of an appeal against an assessment, the appeal shall be re-heard by the recorder or county court judge having jurisdiction in the place where the assessment was made; and the Special Commissioners shall transmit to the recorder or county court judge, as the case may be, any return or other document in their possession which was delivered to them for the purposes of the appeal.

Re-hearing of appeals by recorder or county court judge. [1918, s. 196.]

(2) The recorder or county court judge shall have and exercise the same powers in relation to the assessment appealed against and the determination of the appeal and all matters consequent thereon, as the Special Commissioners, and his determination shall be final and conclusive :

Provided that the inspector, if dissatisfied with the determination as being erroneous in point of law, may require the recorder or county court judge to state a case for the opinion of the High Court thereon and section 298 shall, with the necessary modifications, apply accordingly.

PART XIII.
—*cont.*

(3) The recorder or county court judge shall make a declaration in the form of the declaration required to be made by a Special Commissioner as set out in the Fifth Schedule to this Act.

Claims.

Claims.
[1918,
s. 202.]

404.—(1) In the case of all claims to which section 300 applies, the appropriate Commissioners shall be the Special Commissioners.

(2) In the case of a claim for exemption to which section 300 applies, the claimant shall have the like right to a re-hearing by the recorder or county court judge as in the case of an appeal against an assessment, and section 403 shall apply accordingly.

Collection and recovery.

Collection
and
recovery.
[1918,
s. 199.]

405.—(1) Subject to the provisions of this section, tax shall be collected and recovered in accordance with the provisions of this Act relating to the collection and recovery of tax charged in consequence of assessments made by General Commissioners, and section 308 shall not apply.

(2) Tax charged in respect of income of Class A arising from any land may be recovered from the landlord, notwithstanding that he is not the person charged :

Provided that where the occupier of the land is the person charged, the landlord shall be liable to proceedings under this subsection only in default of payment by the occupier, and only for so much of the tax as could have been charged on him under section 400.

(3) Proceedings for the recovery of any tax which in England may be taken before the High Court may in Northern Ireland be taken before the High Court of Northern Ireland.

(4) Nothing in this section shall affect the application to Northern Ireland of the provisions of this Act relating to the collection of tax charged in respect of income of Class G, where the person chargeable is the person entrusted with payment, or of income of Class L, or to the collection and recovery of sur-tax.

*Penalties.*PART XIII.
—cont.

406. If in Northern Ireland any person, upon any examination on oath, or in any affidavit authorised by this Act, wilfully and corruptly gives false evidence, or wilfully and corruptly swears any thing which is untrue, he shall on conviction be liable to such punishment as persons convicted of perjury are liable to.

Persons giving false evidence guilty of perjury. [1918, s. 228.]

407.—(1) Proceedings for the recovery of a pecuniary penalty which in England may be taken before the High Court may in Northern Ireland be taken before the High Court of Northern Ireland.

Proceedings for penalties. [1918, s. 235.]

(2) Any such proceedings may be taken in the name of the Attorney-General for Northern Ireland, or of such person as may be appointed by the Governor of Northern Ireland to act instead of the Attorney-General for Northern Ireland.

[1918, s. 221 (1).] [S. R. & O., (1921), 1802, para. 2 (2).]

(3) Subject to the foregoing provisions of this section, sections 340 to 343 shall apply with the necessary modifications.

20

Administration.

408.—(1) No General or Additional Commissioners shall be appointed, and the Special Commissioners shall have all such powers and duties as are conferred or imposed on General Commissioners.

General administrative provisions.

(2) No assessors shall be appointed, and the inspector shall in all cases act as assessor.

[1918, s. 190.] [1918, ss. 188 (a) and 189 (1).]

(3) The areas for which assessments of income and charges of tax are to be made and collectors are to be appointed shall be such areas as the Board may from time to time determine, and the provisions of this Act shall apply as if each such area was a parish.

[1918, s. 188 (b).]

409.—(1) The inspector and any other officer acting in the execution of this Act may at any reasonable time, without payment of any fee, inspect and take copies of or extracts from any survey or valuation on which the rates for any county, county borough, urban district, or part thereof are assessed or made, or any rate or assessment made under any Act relating to poor rates, and any person having the custody or possession of any such document shall produce it to the inspector or other

Rate books, etc.

[1918, s. 192.]

PART XIII. officer for any such purpose as aforesaid, and if he fails
 —*cont.* to do so, or in any way obstructs the inspector or other
 officer in the execution of his duties, he shall be liable
 to a penalty not exceeding fifty pounds.

[1918,
 s. 191.]

(2) For the purpose of assessments of income of Class A and Class B the Board may require the secretary of a county council, the town clerk of a county borough, or the clerk of an urban district council, or the person acting as any such secretary or clerk, to transmit to them at such office as they may direct, true copies of the last poor rates made by the county council, county borough council, or urban district council, for their respective rating areas or any part thereof and the officer in question, on payment of a sum calculated at a rate not exceeding five shillings for every hundred ratings, shall comply with the requirement, and if he fails to do so shall be liable to a penalty not exceeding fifty pounds.

(3) Any penalty to which any person is liable under this section shall be recoverable in like manner as penalties under Part X, and sections 340 to 343 shall, with the necessary modifications, apply accordingly.

Saving with respect to actions of ejectionment.
 [1918,
 s. 205.]

410. An action of ejectionment for non-payment of rent shall not be defeated on the ground that the person liable to pay the rent is entitled under this Act to a deduction which would reduce the amount due by him below a year's rent.

Power of justice to administer oath.
 [1918,s.206.]

411. A justice of the peace may administer any oath required or permitted by this Act to be taken before a Commissioner or justice by any officer or person in any matter touching the execution of this Act.

PART XIV.

GENERAL.

Notices, etc.
 [Based on
 1918, s. 220
 and Rating
 and Valuation Act,
 1925, s. 59.]

412.—(1) Any notice or other document required or authorised to be given, sent or served under or for the purposes of this Act may be given, sent or served either—

- (a) by delivering it to the person to or on whom it is to be given, sent or served; or
- (b) by leaving it at the usual or last known place of residence of that person, or, in the case of a company, at its principal place of business,

or, in the case of an employed person, at his place of employment; or PART XIV.
—cont.

- 5 (c) in such cases as may be prescribed, by forwarding it by post addressed to that person at his usual or last known place of residence, or in the case of a company at its principal place of business, or in the case of an employed person at his place of employment; or
- 10 (d) if the document relates to any premises, by delivering it to some person on those premises;
- 15 (e) without prejudice to the foregoing provisions of this subsection, if the document relates to any business carried on by the person to or on whom it is to be given, sent or served, by leaving it at, or in such cases as may be prescribed forwarding it by post addressed to that person at, the said place of business.

(2) Any notice or other document by this Act required or authorised to be given or sent to, or served on, the owner or occupier of any premises may be addressed by the description of the "owner" or "occupier" of the premises (naming them), without further name or description.

25 (3) Where any notice or other document is to be given or sent to, or served on, two or more trustees or personal representatives, the notice or other document shall be deemed to be duly given or sent to, or served on, the trustees or personal representatives if given or sent to, or served on, any one of them, but nothing in this provision shall render a trustee or personal representative personally liable for anything done by him in good faith and in ignorance of the fact that such a notice or other document has been so given, sent or served. [1933,
s. 34 (6).]

35 (4) Any return, claim, notice, or other document of any description required or authorised to be given or sent to or served on any body of Commissioners, or any inspector, assessor, or other officer, shall be deemed to be duly given, sent or served, if delivered or sent by post— [1918,
s. 220 (6).]

40 (a) in the case of a body of Commissioners, at or to their office, addressed to their clerk;

PART XIV.
—cont.

(b) in the case of an inspector, assessor, or other officer, at or to his office, addressed to him by his official designation.

(5) Any notice by this Act authorised or required to be given by the Board may be signed by one of 5 the secretaries or assistant secretaries of the Board, and if purporting to be so signed shall be valid and effectual.

Regulations.
[1918,
s. 236.]

413.—(1) The Board may make regulations—

- (a) with respect to all matters with respect to 10 which regulations may be made under this Act;
- (b) for prescribing the form of any documents required for the purposes of this Act;
- (c) for prescribing anything which under this Act 15 is to be prescribed.

(2) Where any regulations made under this Act are required to be laid before Parliament, they shall be laid before each House of Parliament for a period of thirty days during the session of Parliament, and 20 if an Address is presented to His Majesty by either House of Parliament before the expiration of that period praying that any such regulation may be annulled, it shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder or to 25 the making of a new regulation :

Provided that in reckoning any such period of thirty days no account shall be taken of any time during which both Houses of Parliament are adjourned for more than four days. 30

General definitions.
[1918,
s. 237.]
16 & 17
Geo. 5. c. 29.
20 & 21
Geo. 5. c. 37.

414.—(1) In this Act, unless the context otherwise requires :—

“Adoption of Children Act” means in relation to England, the Adoption of Children Act, 1926, and, in relation to Scotland, the Adoption of 35 Children (Scotland) Act, 1930;

“Annuity fund” means, where an annuity fund is not kept separately from the life assurance fund of an assurance company, such part of the life assurance fund as represents the liability of the 40

- PART XIV.
—cont.
- company under its annuity contracts, as stated in its periodical returns under the Assurance Companies Act, 1909; 9 Edw. 7, c. 49.
- 5 “ Assurance company ” except in section 90, means an assurance company within the meaning of the Assurance Companies Act, 1909; 9 Edw. 7, c. 49.
- “ Assessor ” includes an inspector acting as assessor where empowered so to act; 9 Edw. 7, c. 49.
- 10 “ Board ” means the Board of Inland Revenue;
- “ Commencement,” in relation to a business, includes setting up;
- “ Company ” means any body of persons, corporate or unincorporate, not being a partnership;
- 15 “ Director,” in relation to a company, means a member of the board of directors or other managing body of the company, by whatever name known;
- 20 “ Emoluments,” in relation to an office or employment, includes any salary, stipend, fees, wages, perquisites, earnings, and profits whatsoever arising therefrom; [1918, Sch. E, r. 1.]
- “ Gazette ” means, as the context requires, London Gazette, Edinburgh Gazette, or Belfast Gazette;
- 25 “ Government department ” includes public office;
- “ Guardian,” in relation to an infant, includes parent;
- “ Inspector ” means an inspector of taxes;
- “ Income assessable in like manner as income of Class D ” has the meaning assigned to it in section 266;
- 30 “ Land ” means any land capable of actual occupation, and includes any houses, buildings, and structures thereon or thereunder, and also includes mines and minerals, whether or not held apart from the surface, and land covered with water;
- 35 “ Landlord ” in relation to a tenant, means his immediate lessor;
- “ Land Tax Commissioners ” means the Commissioners appointed under authority of Parliament for executing the Acts relating to land tax;
- 40 “ Lease ” includes an agreement for a lease, and “ let ” has a corresponding meaning;

PART XIV.
—cont.

- “Life assurance business” includes the business of granting annuities;
- “London” means the administrative county of London;
- “Loss” in relation to a business means loss computed in like manner as profits; 5
- “Minister of religion” includes a minister of any religious denomination;
- 20 & 21
Geo. 5.
c. 44. “Owner’s drainage rate” has the meaning assigned to it in section twenty-four of the Land Drainage Act, 1930; 10
- “Pension” has the meaning assigned to it in section 35;
- “Person of unsound mind” includes idiot, insane person, and mental defective; 11
- “Preparatory year” has the meaning assigned to it in section 259;
- “Prescribed” means prescribed by regulations under this Act;
- “Profession” includes vocation; 20
- [1918, Sch. D,
Cases I and II,
r. 6 (7).]
5 & 6 Geo. 5.
c. 89. “Referees” means the Board of Referees appointed for the purpose of Part III of the Finance (No. 2) Act, 1915, or if there is no such Board, a Board of Referees appointed for the purposes of this Act by the Treasury; 21
- [1920, s. 33.] “Relative,” in relation to a person claiming an allowance under this Act, includes any person of whom the claimant had the custody and whom he maintained at his own expense while that person was under the age of sixteen years; 30
- “Repairs deduction” has the meaning assigned to it in section 15;
- “Shares,” in relation to a company, includes stock other than debenture stock;
- “Special assessment” has the meaning assigned to it in section 273; 31
- “The Commissioners” means the body of Commissioners having jurisdiction in the matter in question;
- [Merchant
Shipping Act,
1894 (57 & 58
Vict. c. 60),
s. 742.] “The Trinity House” means the master, wardens and assistants of the guild, fraternity, or brotherhood of the most glorious and undivided 40

Trinity and of Saint Clement in the parish of PART XIV.
 Deptford Strond in the county of Kent, —cont.
 commonly called the corporation of the Trinity
 House of Deptford Strond;

5 “Trade” includes any manufacture, adventure or
 concern in the nature of trade;

“Year of charge” has the meaning assigned to it in
 section 2;

10 “Year of computation” means the year by reference
 to the income of which assessable income is to
 be computed;

“Year of revaluation” has the meaning assigned to
 it in section 258.

(2) This Act shall apply in relation to territory [1920,
 15 which is under His Majesty’s protection, or in respect of s. 27 (2);
 which a mandate on behalf of the League of Nations has 1924, s. 31;
 been accepted by His Majesty, and is being exercised 1925,
 by the Government of some part of His Majesty’s s. 25 (2);
 dominions, as if such territory were a part of His 1930,
 20 Majesty’s dominions. s. 17 (4).]

(3) Where by virtue of this Act each of several [New.]
 items of income is to be treated as the highest part of
 the total income as respects standard tax or sur-tax,
 the several items shall be aggregated and the aggre-
 25 gate treated as the highest part of the total income, and
 the tax attributable to that aggregate shall be appor-
 tioned amongst the several items of income in accordance
 with their respective amounts.

415.—(1) The enactments mentioned in the Eighth Repeals.
 30 Schedule to this Act are hereby repealed to the extent
 specified in the third column of that Schedule:

Provided that, save as otherwise expressly provided
 in this Act, nothing in this repeal—

(a) shall revive any exemption from tax which was
 35 extinguished by section two hundred and
 thirteen of the Income Tax Act, 1918;

8 & 9
 Geo. 5. c. 40.

(b) shall affect the tenure of office of any Commis-
 sioner who holds office at the commencement
 of this Act, but any such Commissioner shall
 40 continue in office as if appointed under this Act;

(c) shall affect the tenure of office or emoluments of
 any inspector or other officer appointed by the

PART XIV.

—*cont.*

21 & 22

Geo. 5.

c. 28.

Board, or of any collector who by virtue of section thirty-seven of the Finance Act, 1931, holds office at the will and pleasure of the Board, but any such inspector, officer, or collector shall hold office as if appointed under this Act, and any warrant delivered to any such collector shall continue in force as if delivered under this Act;

(d) shall affect the tenure of office or emoluments of any person who holds any other office at the commencement of this Act;

(e) shall affect any division or union of parishes made under any enactment so repealed, but any such division or union so made shall have effect as if made under this Act;

(f) shall affect any security given by any officer before the commencement of this Act.

(2) The mention of particular matters in this section shall not be held to prejudice or affect the general application of section thirty-eight of the Interpretation Act, 1889, with regard to the effect of repeals.

52 & 53

Vict. c. 63.

Commence-
ment.

416. This Act shall come into operation on the sixth day of April in the year of charge to which it is first applied by an Act imposing income tax :

Provided that the provisions of this Act shall not apply to any duties of income tax granted by Parliament prior to the commencement of this Act, or to any enactment, matter or thing touching any such duties, and in respect of any such duties the enactments applicable thereto which are repealed by this Act shall have the same effect as if this Act had not been passed.

Short title.

417. This Act may be cited as the Income Tax Act, 193—.

SCHEDULES.

FIRST SCHEDULE.

Section 111.

PART I.

5 AGREEMENT MADE THE _____ DAY OF _____,
 BETWEEN HIS MAJESTY'S GOVERNMENT IN THE
 UNITED KINGDOM AND HIS MAJESTY'S GOVERN-
 MENT IN THE IRISH FREE STATE IN RESPECT OF
 DOUBLE INCOME TAX.

* * * * *

10 PART II.

MODIFICATIONS OF THIS ACT FOR THE PURPOSE OF
 GIVING EFFECT TO THE AGREEMENT SET OUT IN
 PART I OF THIS SCHEDULE.

* * * * *

15 SECOND SCHEDULE.

Section 143.

PROVISIONS AS TO PRIVATELY CONTROLLED COMPANIES
 AND ADJUSTMENT OF TOTAL INCOME OF MEMBERS
 THEREOF.

20 1.—(1) For the purposes of this Schedule a privately con- Privately
controlled
companies.
 trolled company means a company (other than a subsidiary
 company or a company in which the public are substantially
 interested) which is, either by virtue of the possession of the
 majority of the voting power or by any other means whatsoever, [1922, s. 21
(6); 1927,
s. 31 (3).]
 under the control of five persons or less.

25 (2) In determining whether the control of a company is [1922, s. 21
(6).]
 in the hands of five persons or less—

(a) persons in partnership shall be treated as a single person;

2ND SCH.
—cont.

- (b) persons representing the estate of a deceased person or property held under a trust shall be treated as a single person;
- (c) a person who holds voting power in the company by means of relatives or nominees shall nevertheless be treated as if he alone held such voting power. 5

(3) In section 143 and in this Schedule—

[1922, s. 21
(6); 1927,
s. 31 (3).
19 & 20
Geo. 5, c. 23.]

“Company” means a company within the meaning of the Companies Act, 1929.

[1922, s. 21
(6); 1927,
s. 31 (3).]

“Subsidiary company” means a company of which one or more other companies have the control by virtue of the beneficial ownership of shares, provided that none of such other companies is a privately controlled company. 1

[1922, s. 21
(6); 1927,
s. 31 (3).]

“Company in which the public are substantially interested” means a company with respect to which the following conditions are fulfilled— 1

(a) shares of the company (other than preferred shares on which a dividend is payable wholly or partly at a fixed rate per cent.) entitling the holders thereof to twenty-five per cent. or more of the voting power must have been allotted to, or acquired by, members of the public unconditionally and must be beneficially held by members of the public at the end of the accounting period in question; 2

(b) shares in the company (other than as aforesaid) must in such accounting period have been the subject of dealings on a stock exchange in the United Kingdom and have been quoted in the official list of such a stock exchange; 3

[1922, s. 21
(6); 1927,
s. 31 (3).]

and for the purposes of this definition shares allotted to or acquired or held by a privately controlled company shall not be deemed to have been allotted to or acquired or held by a member of the public.

[1922, s. 21
(6).]

“Relative” means a husband, wife, ancestor, descendant, brother or sister. 3

[1922, s. 21
(6).]

“Nominee” means a person who may be required to exercise voting power on the directions of another person or who holds shares directly or indirectly on behalf of another person. 4

“Member” in relation to a company means any person having a share or interest in the capital or profits or income of the company.

[1922,
1st Sch.,
para. 6.]

“Accounting period” means any period for which the accounts of the company have been made up. 4

- 2.—(1) Where any privately controlled company has not, within a reasonable time after the end of any accounting period, distributed to its members a reasonable part of its actual income from all sources for such accounting period in such a manner as to render the amounts distributed to the several members, if individuals, a part of their total income, such actual income of the company for such accounting period shall be deemed to be income of the members to such an extent and for such purposes as are mentioned in this Schedule.
- (2) In determining whether a company has so distributed such a reasonable part, regard shall be had to the current requirements of the company's business and to such other requirements as may be necessary or advisable for the maintenance or development of that business; but the following sums shall be treated as being income available for distribution, and not as having been applied or being applicable to any such requirement as aforesaid, namely :—
- (a) any sum expended or applied or intended to be expended or applied, out of income :—
- (i) in or towards payment for the business, undertaking or property which the company was formed to acquire, or which was the first business, undertaking or property of a substantial character acquired after its formation; or
- (ii) in redemption or repayment of any share or loan capital or debt (including any premium thereon), issued or incurred directly or indirectly in order to pay for such acquisition; or
- (iii) in meeting any obligations of the company in respect of such acquisition; and
- (b) any sum expended or applied or intended to be expended or applied in pursuance of or in consequence of any fictitious or artificial transaction :
- Provided that sub-paragraph (a) shall not apply to any expenditure incurred, or application made, in pursuance of any obligation entered into by the company before the fourth day of August, nineteen hundred and fourteen.
- (3) In computing the actual income from all sources of a privately controlled company for any accounting period, the income of any Class shall be computed in accordance with the provisions of this Act relating to the computation of income of that Class, except that income shall be computed by reference to the income for that accounting period and not by reference to any other period.

2ND SCH.
—cont.

Undistributed profits of company to be income of members in certain events.

[1922, s. 21 (1).]

[1922, s. 21 (1) proviso.]

[1922, s. 21 (1).]

[1922, s. 21 (1) (i); 1927, s. 31 (1).]

[1922, s. 21 (1) (ii); 1927, s. 31 (1).]

[1922, s. 21 (1) (iii); 1927, s. 31 (1).]

[1922, s. 21 (1) (b); 1927, s. 31 (1).]

[1922, s. 21 (1) (a); 2nd para.; 1927, s. 31 (1).]

[1922, Sch. I, para. 6.]

2ND SCH.
—cont.
Commence-
ment of
proceedings.
[1922,
1st Sch.,
para. 4 (a).]
[1922, s. 21
(1).]
[1922,
1st Sch.,
para. 4.]

3. Where the Special Commissioners have reason to believe that a company is a privately controlled company, and that in the case of that company the conditions of the foregoing paragraph are satisfied, they may at any time give notice to the company in writing either—

(a) containing a direction that the foregoing paragraph is applicable to the company; or

(b) requiring the company to furnish—

(i) a statement of the company's actual income from all sources for any accounting period;

(ii) a copy of the company's accounts for such accounting period;

(iii) such particulars as the Special Commissioners may reasonably require regarding such income and the manner in which such income has been expended, retained, distributed or applied;

(iv) a statement of the names and addresses of the members of the company in such accounting period, together with particulars of their respective interests.

Statutory
declaration
and deter-
mination
whether
prima facie
case exists.
[1922,
1st Sch.,
para. 5 (a);
1927, s. 31
(7).]

4.—(1) On the issue of any such notice as is authorised by the last preceding paragraph the directors of the company may, within twenty-eight days after the issue, send to the Special Commissioners a statutory declaration stating any facts and circumstances upon which they are of opinion that there has not been any failure to distribute to the members of the company a reasonable part of its actual income from all sources for the accounting period referred to in the notice, or that the company is not a privately controlled company.

[1922,
1st Sch.,
para. 5 (b);
1927, s. 31
(7).]

(2) Upon a statutory declaration being sent to the Special Commissioners as provided in the preceding sub-paragraph the Special Commissioners shall take no further action in the matter, unless they see reason for taking further action.

[1922,
1st Sch.,
para. 5 (c);
1927, s. 31
(7).]

(3) If the Special Commissioners see reason for taking further action, they shall send to the Referees a certificate to that effect, together with the statutory declaration; and shall at the same time send copies of the certificate and declaration to the Board.

[1922,
1st Sch.,
para. 5 (d);
1927, s. 31
(7).]

(4) The Board may, within twenty-eight days after receiving such copies, submit to the Referees a statement with reference to the matter, and where they submit such a statement they shall send to the company a copy of the statement.

[1922,
1st Sch.,
para. 5 (e);
1927, s. 31
(7).]

(5) The Referees shall take into consideration the declaration and certificate and the statement (if any) sent to them under the provisions of this paragraph, and shall determine whether there is or is not a *prima facie* case for proceeding further.

- (6) If the Referees determine that there is such a prima facie case, the notice given under the last preceding paragraph shall be deemed to have been given on the date on which notice of the Referees' determination is given to the company; if the Referees determine that there is not such a prima facie case, no further proceedings shall be taken in the matter.
- (7) If the Referees have determined that there is such a prima facie case, then—
- (a) if a direction under the last preceding paragraph has been issued, it shall thereupon become effective;
- (b) if no such direction has been issued, such a direction may be issued, and shall be effective as from the date of issue.
- 5.—(1) Upon any direction that paragraph 2 of this Schedule is applicable to any company becoming effective, the actual income of the company from all sources for the accounting period specified in the direction shall be deemed to be the income of the members, and shall be apportioned among the members in accordance with their respective interests in the company.
- (2) From any amount so apportioned to any member, being an individual, there shall be subtracted any sum which has been distributed to him by the company for such accounting period, and which forms part of his total income independently of the provisions of this paragraph.
- (3) The amount remaining after any such subtraction shall (for the purposes of sur-tax only) be treated as income of the member for the year of charge in which such accounting period ended, and as the highest part of his total income for that year, and his total income for sur-tax purposes for that year shall be adjusted accordingly :
- Provided that, upon application being duly made, the Special Commissioners may substitute some other year of charge for that in which the accounting period ended; and in dealing with any such application the Special Commissioners shall have regard to the dates on which distributions of income have been made by the company and shall endeavour, as far as possible, to avoid including in total income for any year of charge income referable to more than one year.
- Any such application must be made by the company within twenty-one days after the date when the direction issued under paragraph 3 or paragraph 4 of this Schedule became effective.

2ND SCH.
—cont.

[1922,
1st Sch.,
para. 5 (f);
1927, s. 31
(7).]

Apportion-
ment among
members of
income of
company.

[1922, s. 21
(1).]

[1922,
1st Sch.,
para. 8.]

[1922, s. 21
(4); 1927,
s. 31 (2).]

[1922,
1st Sch.,

para. 9;
1927, s. 31
(8).]

[1922,
1st Sch.,

para. 9;
1927, s. 31
(8); 1922,

1st Sch.,
para. 8.]

[1922, s. 21
(1); 1927
s. 31 (2).]

[1922,
1st Sch.,

para. 9;
1927, s. 31
(8).]

- 2ND SCH.
—cont.
[1922,
1st Sch.,
para. 10.]
- (4) Notice of any apportionment made under this paragraph shall be given to the company by the Special Commissioners, and shall state—
- (i) the aggregate amount of the income which has been adopted by them for the purpose of apportionment; and
 - (ii) either the amount apportioned to each member, or the amount apportioned to the holders of each class of shares in the company, as the Special Commissioners may think fit.
- [1922,
1st Sch.,
para. 8 (last
lines).]
- (5) After giving any notice of apportionment under this paragraph, the Special Commissioners may require from any member of the company any return or further return of his income from all sources which appears to them to be necessary.
- Appeals
against
directions
and appor-
tionments.
[1922,
1st Sch.,
paras. 1 and
10.]
[1922,
1st Sch.,
para. 2.]
- 6.—(1) If any company is aggrieved by any direction issued under paragraph 3 or paragraph 4, or by any notice of apportionment given under paragraph 5 of this Schedule, the company may within twenty-one days from the date when the direction became effective, or the notice of apportionment was given (as the case may be), appeal to the Special Commissioners against the direction or apportionment.
- (2) If either the company or the Board are dissatisfied with the determination of the Special Commissioners on an appeal under this paragraph against any direction so issued as aforesaid, the company or the Board may, on giving notice to the clerk to the Special Commissioners within twenty-one days after the determination, require the appeal to be re-heard by the Referees.
- (3) Where such a re-hearing is required, the Referees shall re-hear and determine the appeal, and shall in relation thereto have the same powers as the Special Commissioners, and the provisions of this Act as to appeals to the Special Commissioners in matters relating to sur-tax, including those as to the statement of a case for the opinion of the High Court, shall apply accordingly with the necessary modifications.
- [1922,
1st Sch.,
para. 2.]
- The Special Commissioners shall, on the notice being given, transmit to the Referees any documents in their possession which were delivered to them for the purposes of the appeal.
- Subsidiary
provisions.
[1922,
1st Sch.,
para. 7.]
- 7.—(1) If a company, within a reasonable time after the date on which a notice issued under paragraph 3 of this Schedule requiring a statement of the actual income of the company from all sources was given or is deemed to have been given, fails to furnish a statement with which the Special Commissioners are satisfied, the Special Commissioners may make an estimate of such income.
- [1922,
1st Sch.,
para. 11.]
- (2) For the purpose of determining whether a company is a privately controlled company, the Special Commissioners may at any time give to any person in whose name any shares in a

company are registered a notice in writing requiring him within a time specified in the notice to deliver a return stating:—

2ND SCH.
—cont.

- (i) whether he is or is not the beneficial owner of all or any of those shares; and
- 5 (ii) if he is not the beneficial owner of some of those shares, what are the names and addresses of the persons on whose behalf the shares are registered in his name;

and any person to whom such a notice is given shall comply therewith.

- 10 8.—(1) If sur-tax has, under section 143, been paid in respect of any income of a privately controlled company and, after such payment has been made, a distribution of the income or any part thereof is made by the company, the income so distributed to any member of the company, being an individual, shall not, so far as sur-tax has been so paid in respect thereof, form part of his total income for purposes of sur-tax.

Exemption and repayment in respect of income charged. [1922, s. 21 (4).]

- (2) Where, in respect of any income, sur-tax has been paid otherwise than under the provisions of section 143 by any individual who is a member of a privately controlled company, and that income was income in respect of which sur-tax had already been paid under the said section, the member shall be entitled to have repaid to him, on a claim being made for the purpose, so much of the sur-tax so paid by him, as aforesaid, as was attributable to the inclusion in his total income of the income in question.

- 9.—(1) Any privately controlled company may, at any time after the general meeting at which the accounts of the company for any accounting period are adopted, forward to the Special Commissioners for their consideration a copy of the said accounts, together with a copy of the report, if any, of the directors for that period, and such further information, if any, as it may think fit, and the Special Commissioners shall, subject to the provisions of this paragraph, on receiving the said accounts and other documents, if any, proceed to consider the position of the company in relation to paragraph 2 of this Schedule.

Right of company to furnish accounts in first instance and procedure thereon. [1928, s. 18.]

- (2) The Special Commissioners may as soon as reasonably may be, but not later than twenty-eight days after the receipt of the said accounts and other documents, if any, call upon the company to furnish to them within twenty-eight days, or such extended time as they may subsequently allow, such further particulars as they may reasonably require:

Provided that if the particulars so required are not furnished to the Commissioners within the time or extended time allowed for the purpose they may proceed under this paragraph upon the information before them.

2ND SCH.
—cont.

(3) Where a company has, under sub-paragraph (1) of this paragraph, forwarded to the Special Commissioners the accounts of the company for any accounting period, whether with or without any other documents, the following provisions shall have effect :—

- (a) unless within three months after the receipt of the said accounts and other documents, or, if further particulars have been required as aforesaid, within three months after the receipt of those particulars, or the expiration of the time within which those particulars are to be furnished, as the case may be, the Special Commissioners intimate to the company their intention to take further action in the case of the company in respect of that accounting period, the power of the Commissioners to take any such further action in respect of that period shall cease; and
- (b) notwithstanding that the Special Commissioners have given such an intimation as aforesaid, they shall not after the expiration of six months from the date of the intimation have power to issue a notice under paragraph 3 of this Schedule in relation to that accounting period.

Application
to privately
controlled
companies in
liquidation.
[1927, s. 31
(4), (5) and
(6).]

10. Where an order has been made or a resolution passed for the winding-up of a privately controlled company, then, for the purposes of this Schedule—

- (a) the period from the end of the last accounting period of the company to the date of the order or resolution for winding-up shall be treated as an accounting period;
- (b) the actual income of the company from all sources for the period so treated as an accounting period shall be deemed to be income of that period available for distribution;
- (c) as respects such period as aforesaid, and as respects any accounting period ending within the year preceding that period, sub-paragraph (1) of paragraph 2 of this Schedule shall have effect as if the words "within a reasonable time" were omitted therefrom;
- (d) any notice required under the provisions of this Schedule to be served on the company may, where the company is in liquidation, be served on the liquidator of the company;
- (e) the liquidator shall be responsible—
- (i) for the due payment of any sur-tax payable by or recoverable from the company;
- (ii) for doing all other matters or things required to be done by or on behalf of the company;

- (f) the income apportioned to a member of the company for the period which is to be treated as an accounting period as aforesaid shall, for the purposes of sur-tax, be deemed to have been received by him on the date of the order or resolution for winding-up.

2ND SCH.
—cont.

11.—(1) Where a member of a privately controlled company (in this paragraph referred to as "the first company"), the actual income of which for any accounting period has been deemed to be the income of its members and has been the subject of an apportionment (in this paragraph referred to as "the original apportionment") under paragraph 5 of this Schedule, is itself a privately controlled company (in this paragraph referred to as "the second company"), the excess of the amount so apportioned to the second company over the amount, if any, which has been received by the second company out of the income as aforesaid of the first company in such manner as would, in the case of an individual, render the amount so received a part of his total income—

Application of s. 141 and of paras. 5 and 6 of this Schedule to inter-connected companies. [1927, s. 32.]

- (a) shall for the purposes of paragraph 5 of this Schedule be deemed to be income of the members of the second company; and
- (b) shall be apportioned among them in accordance with their respective interests in that company,

and the provisions of section 143 and of paragraphs 5 and 6 of this Schedule shall, with any necessary modifications, apply accordingly.

(2) The second company shall, on being required by notice in writing given by the Special Commissioners, furnish, within the time limited by the notice, a return showing the names and addresses and particulars of the respective interests of all its members as on the last day of the accounting period in question, and the income apportioned as aforesaid to the several members of the second company shall, for the purposes of sur-tax, be deemed to be part of their total income for the year of charge in which such accounting period ended.

(3) Any sur-tax which, by virtue of section 143 as applied by this paragraph, is chargeable in respect of the amount of the income of the first company apportioned to any member of the second company, shall be charged upon the first company on the member's behalf, and shall, subject to the provisions of the said section as to payment by the member, be payable by the first company, and the provisions of section 143 as to the charge and recovery of sur-tax chargeable in respect of the income of a company shall, with any necessary modifications, apply accordingly.

(4) Where a member of any such second company as aforesaid is itself a privately controlled company, the income

2ND SCH.
—cont.

apportioned to it under the foregoing provisions of this paragraph shall in turn be deemed to be the income of its members and apportioned to them, for purposes of sur-tax, in accordance with their respective interests, and so on successively where any member to whom income of a company has been apportioned is itself a privately controlled company, until the entire amount of the income which was apportioned under the provisions of this paragraph among the members of the second company has been apportioned to persons other than a privately controlled company. 5

The foregoing provisions of this paragraph shall, with any necessary modifications, apply to such successive apportionments, and to the furnishing of returns and to the charge and recovery of sur-tax in respect of income apportioned to any member, and, in particular, 1

(i) the year of charge to which any income apportioned to a member is to be attributed shall be governed by the date mentioned in sub-paragraph (2) of this paragraph; and 1

(ii) any sur-tax which is chargeable in respect of income apportioned to a member, being an individual, shall be charged upon the first company on behalf of that member. 2

THIRD SCHEDULE.

Section 347
(8).

GENERAL COMMISSIONERS FOR CERTAIN CITIES AND TOWNS. 2

[1918, s. 59
(3) (ii), (5),
and (6) (f)
and 2nd
Schedule.]

1. In the divisions formed by or comprising any of the cities or towns mentioned in the first column of the table appended to this Schedule, there shall, in addition to the number of General Commissioners specified in subsection (2) of section 347, be further General Commissioners to the numbers specified in the fourth column of that table. 3

2. The further General Commissioners shall be chosen from a list to supply vacancies prepared by the bodies mentioned in the second column of the said table, and in the case of the cities of London and Norwich from amongst the persons mentioned in the third column thereof. 3

3. In any such division the bodies mentioned in the second column of the said table shall, on notice from the clerk to the Commissioners for that division, as often as occasion may require,

select and add new names to the list of persons chosen by them for supplying vacancies among the further General Commissioners, so that that list may contain the number specified in the fifth column of the said table.

3RD SCH.
—cont.

- 5 (4) Where the General Commissioner, to take whose place a new General Commissioner is to be appointed, was a person selected from a list made under this Schedule, the new General Commissioner shall be selected from the persons whose names are included in that list.

10

TABLE.

	By whom chosen.	From whom chosen.	Number to serve.	Number for supplying vacancies.
15	Birmingham . . .	Magistrates and justices for the city or town, and justices for the county.	8	8
20	Bristol	Do. do.	8	8
	Exeter	Do. do.	8	8
	Great Yarmouth	Do. do.	8	8
	King's Lynn	Do. do.	8	8
	Kingston-on-Hull	Do. do.	8	8
25	Leeds	Do. do.	8	8
	Liverpool	Do. do.	8	8
	London, City of	Lord Mayor and aldermen.	2	2
30		From eight persons, four being aldermen, returned to the Lord Mayor and aldermen by Common Council.		
35		Bank of England-London Assurance Corporation (Governor and directors of).	2	2
		Port of London Authority.	1	1
40		Royal Exchange Assurance Corporation (Governor and directors of).	3	3
		Royal Exchange Assurance Corporation (Governor and directors of).	1	1
45	Manchester	Magistrates and justices for the city and justices for the county.	8	8
50	Newcastle-upon-Tyne	Do. do.	8	8
	Norwich	Magistrates and justices for the city.	8	8
55		Four of each class to be from the magistrates and justices, and four from inhabitants of the city.		

Section 356.

FOURTH SCHEDULE.**COMMISSIONERS FOR ASSESSING THE EMOLUMENTS OF
CERTAIN OFFICES.****PART I.**

The Corporation of the City of London.	Members of the Common Council of the City of London.	Income of Class E, Class F or Class N, where the place of assessment would, if the income were assessable by General Commissioners, be in the division of the City of London.	5 10
The Corporation of the City of Liverpool.	Members of the Council of the City of Liverpool.	Emoluments of, and pensions in respect of, offices held under the Corporation.	10
The Chapter of the College of Arms.	Officers of the College of Arms.	Emoluments of, and pensions in respect of, offices and employments held under the College.	2
The Senate of the University of London.	Members of the Senate of the University of London.	Emoluments of officers, and pensions, paid out of the funds of, or funds administered by, the University.	2
Bishop of Norwich	Officers of the See of Norwich.	Emoluments of, and pensions in respect of, offices held under the See.	3

PART II.

The Dean of the Court of Arches.	Emoluments of, and pensions in respect of, offices held under the Court.	3
The Master of the Court of Faculties.	Emoluments of, and pensions in respect of, offices held under the Court.	3
The Vicar-General of the Archbishop of Canterbury.	Emoluments of, and pensions in respect of, offices held under the Office of the Vicar-General.	4
The Commissary of the Consistory Court of the Diocese of London.	Emoluments of, and pensions in respect of, offices held under the Court.	4

FIFTH SCHEDULE.

Section 373.

DECLARATIONS BY COMMISSIONERS AND OFFICERS.

FORM OF DECLARATION to be made by GENERAL, ADDITIONAL 1918,
and SPECIAL COMMISSIONERS. 4th Sch.

- 5 "I, A.B., do solemnly declare, that I will impartially and honestly, according to the best of my skill and knowledge, execute the powers and authorities vested in me by the Income Tax Act, 193-, and that I will judge and determine upon all matters which shall be brought before me under the said Act, without favour
10 or ill-will; and that I will not disclose any particular contained in any return or other document delivered with respect to income of Class D, or income assessable in like manner as income of Class D, or any evidence or answer given by any person respecting the same, in pursuance of the said Act, except to such persons only
15 as shall act in the execution of the said Act, and where it shall be necessary to disclose the same to them for the purposes of the said Act, or to the Commissioners of Inland Revenue, or in order to, or in the course of, a prosecution for any offence committed in relation to income tax."

20 FORM OF DECLARATION to be made by other COMMISSIONERS.

- "I, A.B., do solemnly declare, that I will impartially and honestly, according to the best of my skill and knowledge, execute the powers and authorities vested in me by the Income Tax Act, 193-, and that I will judge and determine upon all matters which
25 shall be brought before me under the said Act, without favour or ill-will."

FORM OF DECLARATION to be made by CLERKS (or ASSISTANT CLERKS) to COMMISSIONERS, other than those appointed under subsection (6) of section 362.

- 30 "I, A.B., do solemnly declare, that in the execution of the office of a clerk (or assistant clerk, *as the case may be*) under the Income Tax Act, 193-, I will act according to the best of my skill and knowledge, and that I will conduct myself without favour
35 or ill-will, and that I will not disclose any particular contained in any return or other document delivered with respect to income of Class D, or income assessable in like manner as income of Class D, or any evidence or answer given by any person respecting the same, in pursuance of the said Act, except to such persons
40 only as shall act in the execution of the said Act, and where I shall be directed to do so by the said Act, or by the Commissioners under whom I act, or by the Commissioners of Inland Revenue, or in order to, or in the course of, a prosecution for any offence committed in relation to income tax."

5TH SCH.
—cont.

FORM of DECLARATION to be made by INSPECTORS, and by ASSESSORS, other than those appointed under section 366.

“ I, A.B., do solemnly declare, that in the execution of the Income Tax Act, 193—, I will act according to the best of my skill and knowledge, and that I will conduct myself without favour or ill-will; and that I will not disclose any particular contained in any return or other document delivered with respect to income of Class D, or income assessable in like manner as income of Class D, or any evidence or answer given by any person respecting the same, in pursuance of the said Act, except to such persons only as shall act in the execution of the said Act, and where it shall be necessary to disclose the same to them for the purposes of the said Act, or to the Commissioners of Inland Revenue, or in order to, or in the course of, a prosecution for any offence committed in relation to income tax.”

FORM of DECLARATION to be made by COLLECTORS, other than those appointed under section 370.

“ I, A.B., do solemnly declare, that in the execution of the Income Tax Act, 193—, I will act according to the best of my skill and knowledge, and that I will conduct myself without favour or ill-will; and that I will not disclose any assessment or charge, or the amount of any sum paid or to be paid by any person under the said Act, or the duplicates which shall be delivered to me in the execution of the said Act, with respect to income of Class D, or income assessable in like manner as income of Class D, except to such persons only as shall act in the execution of the said Act, and where it shall be necessary to disclose the same to them for the purposes of the said Act, or to the Commissioners of Inland Revenue, or in order to, or in the course of, a prosecution for any offence committed in relation to income tax.”

Section 378
(4).

SIXTH SCHEDULE.

SPECIAL PROVISIONS AS TO SPECIAL PLACES.

For the purposes of assessment of income and the charge and collection of tax within the places hereinafter mentioned the following provisions shall have effect :—

[1918, s. 91.]

1. As respects the Universities of Oxford and Cambridge—
 - (a) The General Commissioners for each such University shall have jurisdiction in respect of all the university buildings, and the colleges and halls for the time

being attached to, or associated with, that university, and of all offices and employments in connection therewith, and of the income of all persons residing therein :

6TH SCH.
—cont.

- 5 (b) Each of the said jurisdictions shall be treated as a separate parish; but the Commissioners may, with the consent of the Board, divide their jurisdiction into parts, and in that case each such part shall be treated as a separate parish.
- 10 2. The place known as Serjeants Inn in Chancery Lane in London shall be subject to the jurisdiction of the Commissioners acting in the execution of this Act for the City of London. [1918, s. 92.]
3. The Inner Temple, the Middle Temple, Lincoln's Inn, Gray's Inn, and the Inns of Chancery thereunto respectively [1918, s. 90 (4).]
- 15 belonging, shall continue to be separate parishes for the purposes of this Act.

SEVENTH SCHEDULE.

Section 385.

SPECIAL ADMINISTRATIVE PROVISIONS RELATING TO THE CITY OF LONDON.

- 20 1. The areas for which assessments of income and charges of tax are to be made, and assessors and collectors are to be appointed, shall be such areas as the Commissioners may determine, and the provisions of this Act relating to the matters aforesaid shall apply as if each such area was a parish.
- 25 2.—(1) Subject to the provisions of this Schedule, the power of appointing collectors shall be exercisable by the Commissioners, and a collector so appointed shall hold office during the pleasure of the Commissioners, and shall receive such remuneration as the Board, with the approval of the Treasury, may determine. [1918, ss. 80 and 87 (1); 1927, s. 30.]
- 30 (2) If a vacancy occurs in the office of collector, the Commissioners shall, within one month from the occurrence thereof, appoint a fit person to fill the vacancy, and if a collector is not appointed within two months from the occurrence thereof [1918, s. 84 (1); 1927, s. 30; 1931, Third Sch., Pt. I.]
- 35 the power of appointment shall as respects that vacancy vest in the Board, and the provisions of section 357 shall not apply. [1918, s. 71.]
- 3.—(1) The Commissioners may require a collector on his appointment to give security to their satisfaction. [1918, s. 83 (1).]
- 40 (2) Any person appointed to be a collector shall give such security for the due execution of his duties as the Board may from time to time require. [1918, s. 81 (1).]

- 7TH SCH.
—cont.
- [1918, s. 84
(3).] (3) Where a collector fails to give security to the satisfaction of the Board within the time limited by the Board, the appointment shall be void, and the Board may appoint a collector to fill the vacancy. 5
- [1918, s. 180
(3) (a).] (4) If the Commissioners, in any action against the sureties of a collector, without any wilful neglect or default on their part, fail to recover judgment, and costs are awarded against them, or if an action is brought against the Commissioners in relation to any such bond as is mentioned in subsection (1) of section 371, and they are ordered to pay costs to the plaintiff, the Commissioners shall not be personally liable for the costs. 10
- [1918, s. 153
(2).] 4.—(1) Together with the duplicates delivered to a collector under section 307 there shall be delivered to him by the Commissioners a warrant in the prescribed form for collecting the tax given to him in charge to collect. 11
- [1918, s. 153
(3).] (2) No duplicate or warrant shall be delivered to a collector until he has complied with the provisions of the preceding paragraph as to giving security. 11
- [1918, s.
215 (3).] (3) The Board shall provide forms of receipts, with counterfoils, for the use of collectors, and may make regulations for the inspection, filling up and use thereof, and every collector shall act in accordance with any such regulations. 20
- [1918, s.
168 (1).] 5. Where in any case to which section 326 applies the parish to which the person has removed, or in which he resides or happens to be, is within the City of London, the certificate mentioned in that section shall be delivered through the Board to the General Commissioners for the City of London, who shall issue to the appropriate collector their warrant for the recovery of the amount specified in the certificate. 20
- [1918, s. 172
(2).] 6. On the day appointed, under section 317, for a collector to pay over or account for the tax and other money given to him in charge to collect, the collector, if so required by the Board, shall deliver to the inspector schedules of arrears in the prescribed form, certified by him, setting forth the name and address of every person in the area for which he is collector from whom he has not received such tax or money, and the sum then in arrear and uncollected from each such person. 30
- [1918, s. 173.] 7. The Commissioners may, whenever they think it expedient, and shall, whenever required by the inspector, call before them any collector whose accounts for any year are not finally closed, and examine him on oath as to the state of his collection, and shall make such order for the payment of any sum found due by him, and appoint such time for the payment thereof to the proper officer, as they consider necessary. 40
- [1918, s. 174
(1) (a).] 8. The powers of an inspector of making reports under section 374 shall extend to reports concerning any matter relating to the conduct of any collector, and that section shall apply accordingly. 40

9. The duplicates, books of receipts, and counterfoils which, under subsection (3) of section 319, are to be delivered to the Board by a collector on clearing his accounts, may be delivered to the Commissioners instead of to the Board. 7TH SCH.
—cont.
[1918, a. 177.]

5 10. Any action brought against a collector in respect of any- [1918, a. 86
thing done or purported to be done in pursuance of this Act shall (1.)
be defended by the Commissioners.

10 11.—(1) This Schedule applies to the Commissioners appointed under section 356 by the Corporation of the City of London and to their officers, as well as to the General Commissioners for the City of London and their officers.

15 (2) Notwithstanding anything in section 366 or section 370, the Commissioners appointed under section 356 by the Corporation of the City of London may appoint as assessors or collectors persons who are not officers of the Corporation.

EIGHTH SCHEDULE.

Section 415.

ENACTMENTS REPEALED.

Session and Chapter.	Short Title.	Extent of Repeal.
20	8 & 9 Geo. 5. c. 40.	The Income Tax Act, 1918.
25	9 & 10 Geo. 5. c. 32.	The Finance Act, 1919
30	10 & 11 Geo. 5. c. 18.	The Finance Act, 1920
35	11 & 12 Geo. 5. c. 32.	The Finance Act, 1921
		The whole Act except subsection (3) of Rule 4 of the Rules applicable to Cases I and II of Schedule D, and the other provisions of that Rule so far as they apply to the said subsection. Part II; section 38 so far as it relates to the said Part II. Part II; section 61 (so far as it relates to income tax); section 64 so far as it relates to the said Part II, and Third Schedule. Part II; section sixty-five so far as it relates to the said Part II, and paragraph 7 of Part IV of Second Schedule.

8TH SEM.
—cont.

Session and Chapter.	Short Title.	Extent of Repeal.
12 & 13 Geo. 5. c. 17.	The Finance Act, 1922	Part II; section forty-nine so far as it relates to the said Part II; First and Second Schedules. 5
13 & 14 Geo. 5. c. 14.	The Finance Act, 1923	Part II, except section fifteen; section thirty-nine so far as it relates to the said Part II.
14 & 15 Geo. 5. c. 21.	The Finance Act, 1924	Part II, except section twenty; section forty-one so far as it relates to the said Part II. 10
15 & 16 Geo. 5. c. 36.	The Finance Act, 1925	Part II; sections twenty-five and twenty-six, so far as they relate to income tax; section 28 so far as it relates to the said Part II. 15
15 & 15 Geo. 5. c. 87.	The Tithe Act, 1925	Subsection (1) of section eight.
15 & 16 Geo. 5. c. 90.	The Rating and Valuation Act, 1925.	Subsection (2) of section forty-three. 20
16 & 17 Geo. 5. c. 22.	The Finance Act, 1926	Parts III and IV; section forty-seven so far as it relates to the said Part III; Second, Third and Fourth Schedules. 25
17 & 18 Geo. 5. c. 10.	The Finance Act, 1927	Part II; section thirty-eight from "and where income tax is so charged for any year" to the end of the section; sections thirty-nine to forty-seven; section fifty-three, so far as it relates to income tax; section fifty-seven so far as it relates to the said Part II; Fifth Schedule. 30
18 & 19 Geo. 5. c. 17.	The Finance Act, 1928	Part II; section thirty; subsection (2) of section thirty-five; Fourth Schedule. 35
19 & 20 Geo. 5. c. 21.	The Finance Act, 1929	Section one; subsection (1) of of section six. 40
20 & 21 Geo. 5. c. 28.	The Finance Act, 1930	Sections nine to thirty-one; subsections (1) and (3) of section thirty-two; so much of subsection (4) of the same section as amends subsection (2) of section forty-three of the Rating and Valuation Act, 1925; subsection (2) of section fifty-three; First Schedule. 45

Session and Chapter.	Short Title.	Extent of Repeal.	
5	21 & 22 Geo. 5. c. 28.	The Finance Act, 1931	Sections seven to nine; section thirty-seven, so far as it relates to collectors of income tax; subsection (2) of section forty-four.
10	21 & 22 Geo. 5. c. 49.	The Finance (No. 2) Act, 1931.	Sections eight to ten; section sixteen; subsection (2) of section twenty-two; subsection (2) of section twenty-three; subsection (2) of section twenty-five; Fourth Schedule.
15	22 & 23 Geo. 5. c. 25.	The Finance Act, 1932	Sections seventeen to twenty; subsection (2) of section thirty-one.
20	23 & 24 Geo. 5. c. 19.	The Finance Act, 1933	Sections twenty-nine to thirty-four; subsection (3) of section forty-seven.
20	24 & 25 Geo. 5. c. 32.	The Finance Act, 1934	Sections twenty-one and twenty-two; subsection (3) of section thirty.
25	25 & 26 Geo. 5. c. 24.	The Finance Act, 1935	Sections nineteen to twenty-six; subsection (3) of section thirty-five.

8TH SCH.
—cont.

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