



Finance Act 1976

CHAPTER 40

FINANCE ACT 1976

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Status: This is the original version (as it was originally enacted).

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SCHEDULE 2 — Made-Wine: Rates of Duty

SCHEDULE 3 — Cider: Consequential Amendments

The Customs and Excise Act 1952

- 1 In section 172(6) of the Customs and Excise Act 1952...
- 2 In section 248(2) of that Act for the words "...
- 3 In section 249(5) of that Act for the words "...
- 4 In section 253(3) of that Act for the words "or...
- 5 In section 263(4) of that Act— (a) for the words...
- 6 In section 295(2) of that Act for the words "or...
- 7 In section 307 of that Act— (a) for the definition...

The Finance Act 1964

- 8 In section 8(2)(b) of the Finance Act 1964 for the...

The Finance (No. 2) Act 1975

- 9 In section 15 of the Finance (No. 2) Act 1975—...

SCHEDULE 4 — Life Policies, Etc

Preliminary

- 1 In this Schedule references to any sections not otherwise identified...

Short-term assurances

- 2 A policy which secures a capital sum payable only on...

Relief by deduction from premiums

- 3 (1) In section 19(1) for the words " if the...
- 4 (1) Relief under section 19 in respect of any premiums...
- 5 Subject to the following provisions of this Schedule,—

Status: This is the original version (as it was originally enacted).

Limit on deductions authorised under paragraph 5

- 6 (1) Where the premiums payable in any year in respect...

Husband and wife

- 7 Subsection (7) of section 19 shall be omitted.
8 The references in section 19 to an individual's spouse shall...
9 Where an election under section 23 of the Finance Act...
10 Where, throughout a year of assessment, a woman is a...

Industrial assurance policies

- 11 (1) This paragraph applies to— (a) a policy issued in...
12 In paragraph 4(1) of Schedule 1, sub-paragraph (iii) of paragraph...

Premiums payable to friendly societies and industrial assurance companies

- 13 (1) Where a policy is issued by a registered friendly...

Supplementary provisions as to relief under section 19

- 14 Where it appears to the Board that the relief (if...
15 (1) Where in any year of assessment the relief to...
16 (1) The Board may make regulations for carrying the preceding...
17 A notice given to a person under section 8 of...

Consequential amendments

- 18 (1) In section 5 after the words "who makes a...
19 (1) In section 7(5) of the Finance Act 1975 for...
20 In section 20 the following shall be omitted:—
21 (1) Section 21 shall be amended as follows.

SCHEDULE 5 — Relief for Increase in Value of Trading Stock and Work in Progress

PART I — INCOME TAX

Entitlement to relief

- 1 (1) Where a person carries on a trade in respect...

Charge by way of recovery of relief

- 2 (1) Where a person carries on a trade in respect...

Method of giving effect to relief or charge

- 3 (1) Relief under paragraph 1 above in respect of any...

Top-slicing

- 4 (1) Where a trade has been carried on by a...

Meaning of "relevant year of assessment" and "basis period"

- 5 (1) This paragraph provides for ascertaining the relevant year of...

Right to set unused relief against general income

- 6 (1) Subject to the provisions of this paragraph, a claim...

Carry forward of unused relief

- 7 (1) Where, in any year of assessment, full effect cannot...

Social security contributions

- 8 In computing for the purposes of Schedule 2 to the...
PART II — CORPORATION TAX

Entitlement to relief

- 9 (1) Where a company carries on a trade in respect...

Charge by way of recovery of relief

- 10 (1) Where a company carries on a trade in respect...
11 (1) Where there is a change of ownership of a...

Method of giving effect to relief or charge

- 12 (1) Relief under paragraph 9 above in respect of any...
PART III — LINK WITH PREVIOUS STOCK RELIEF PROVISIONS

Interpretation

- 13 In this Part of this Schedule, "Schedule 10 " means...

Entry into operation of Parts I and II

- 14 (1) The provisions of this paragraph indicate the periods of...

Transitional relief

- 15 (1) The provisions of this paragraph apply for supplementing
Schedule...

Succession during or at end of base period

- 16 (1) In this paragraph " succession " means such a...

Time limit for claiming Schedule 10 relief

- 17 A claim by a company for Schedule 10 relief may...

Recovery of Schedule 10 relief

- 18 (1) The provisions of this paragraph apply for making Schedule...
PART IV — GENERAL

Partnerships

- 19 (1) Where a trade is carried on by persons in...

Successions

- 20 (1) The provisions of this paragraph apply—

Status: This is the original version (as it was originally enacted).

- 21 (1) Subject to the provisions of this paragraph, where there...

Adjustment for special circumstances

- 22 (1) Where any arrangements have been effected by a person...

Valuation of stock in certain cases

- 23 (1) For the purposes of this Schedule in ascertaining the...

Discontinuity in stock values

- 24 (1) Where a person's closing stock value in a period...

Farm animals

- 25 (1) Animals treated as trading stock under Schedule 6 to...

Meaning of "past relief"

- 26 (1) References in this Schedule to "past relief", in...

Application to professions and foreign trades etc.

- 27 (1) The foregoing provisions of this Schedule have effect, with...

Interpretation

- 28 (1) In this Schedule "period of account" means a...

- 29 (1) Subject to the provisions of this paragraph, in this...

- 30 In this Schedule "work in progress" means—

- 31 (1) In this Schedule "relevant income" in relation to...

- 32 Any reference in this Schedule to a period ending in...

SCHEDULE 6 — Sections to be Substituted for Section 20 of Taxes Management Act 1970

SCHEDULE 7 — Taxation of Directors and Others in respect of Cars

PART I — TABLES OF FLAT RATE CASH EQUIVALENTS

PART II — SUPPLEMENTARY PROVISIONS

Application of Tables A and B

- 1 (1) In the case of cars with an original market...

Reduction for periods when car not available for use

- 2 (1) If for any part of the relevant year the...

Car used preponderantly for business purposes

- 3 (1) The cash equivalent derived from Table A, B or...

Reduction for employee paying for use of car

- 4 If in the relevant year the employee was required, as...

SCHEDULE 8 — Taxation of Benefit From Loans Obtained by Reason of Employment

PART I — MEANING OF "OBTAINED BY REASON OF EMPLOYMENT"

- 1 (1) The benefit of a loan is obtained by reason...
- 2 That benefit is so obtained if the loan was made...
- 3 That benefit is so obtained if— (a) the employer was...
- 4 In this Part of this Schedule— (a) references to a...

PART II — CALCULATION OF CASH EQUIVALENT OF LOAN BENEFIT

General

- 5 (1) The cash equivalent for any year of the benefit...

Normal method of calculation (averaging)

- 6 In the absence of a requirement or election that paragraph...

Election for alternative method of calculation

- 7 (1) For any year of assessment ("the relevant year") the...

PART III — EXCEPTIONS WHERE INTEREST ELIGIBLE FOR RELIEF

- 8 (1) In this Part of this Schedule "eligible for..."
- 9 Section 66(1) does not apply to a loan in any...
- 10 Where for any year interest is paid on a loan...
- 11 (1) Where for any year no interest is paid on...

SCHEDULE 9 — Amendments of Tax Acts Consequent on Part III, Chapter II

PART I — REPLACEMENT OF SECTION 15 OF THE TAXES MANAGEMENT ACT 1970 (C. 9)

Taxes Management Act 1970 (c. 9)

- 1 For section 15 of the Taxes Management Act 1970 (return...
- 2 For the year 1976-77 the section substituted by paragraph 1...
- 3 In section 98(3) of the Taxes Management Act 1970, the...

Income and Corporation Taxes Act 1970 (c. 10)

- 4 The following provisions and passages in the Taxes Act are...

Finance Act 1974 (c. 30)

- 5 In section 24 of the Finance Act 1974 (returns relating...

Savings

- 6 Nothing in this Part of this Act shall prejudice the...

PART II — OTHER AMENDMENTS

- 7 The amendments set out in this Part of this Schedule...

Capital Allowances Act 1968 (c. 3)

- 8 In section 33 of the Capital Allowances Act 1968 (balancing...
- 9 In section 34 of that Act (notional sales), in subsection...

Status: This is the original version (as it was originally enacted).

Taxes Management Act 1970 (c. 9)

- 10 (1) In section 35(2) of the Taxes Management Act 1970, ...
11 In Schedule 3 to that Act (rules for assigning proceedings...

Income and Corporation Taxes Act 1970 (c. 10)

- 12 In section 75 of the Taxes Act (sporting rights), in ...
13 In section 185 of that Act (accommodation occupied by holder ...
14 (1) Sections 195 to 199 and 201 to 203 of ...
15 In section 284(2) of the Taxes Act (close company distributions), ...
16 In that section of that Act, for subsection (3) there ...

SCHEDULE 10 — Relief for Business Property

Preliminary

- 1 In this Schedule "transfer of value" includes a distribution payment ...

Nature of relief

- 2 (1) Where the whole or part of the value transferred ...

Relevant business property

- 3 (1) Subject to the following provisions of this paragraph and ...

Minimum period of ownership

- 4 (1) Property is not relevant business property in relation to ...
5 (1) Where— (a) the whole or part of the value ...

Value of business

- 6 For the purposes of this Schedule the value of a ...

Value of shares in or securities of certain companies

- 7 Where a company is a member of a group and ...

Exclusion of value of excepted assets

- 8 (1) In determining for the purposes of this Schedule what ...

Avoidance of double relief

- 9 So much of the value transferred by a transfer of ...
10 Where any part of the value transferred by a transfer ...
11 Where the value transferred by a transfer of value is ...
12 Where, under section 22(5) of the Finance Act 1975, any ...

Meaning of "group", "holding company", "subsidiary" and "control"

- 13 (1) For the purposes of this Schedule a company and ...

SCHEDULE 11 — Works of Art, Historic Buildings etc.: Consequential Amendments

The Finance Act 1965

- 1 (1) For sections 31 and 32 of the Finance Act...

The Finance Act 1975

- 2 In section 26(2) of the Finance Act 1975 after the...
3 In paragraphs 2(7), 12(4) and 19(1)(c) of Schedule 4 to...
4 In paragraph 11(2) of Schedule 5 to that Act after...
5 In paragraph 16 of Schedule 6 to that Act after...

The Finance (No. 2) Act 1975

- 6 Section 56 shall be omitted.

SCHEDULE 12 — Transfers Within Three Years Before Death

Interpretation

- 1 In this Schedule— " close company " has the same...

Shares—capital receipts

- 2 (1) If the transferred property consists of shares and at...

Payments of calls

- 3 If the transferred property consists of shares and at any...

Reorganisation of share capital etc.

- 4 (1) This paragraph has effect where the transferred property consists...

Transfers of value etc. by close companies

- 5 (1) This paragraph applies where the transferred property consists of...

Interests in land

- 6 (1) Where the transferred property is an interest in land...

Leases

- 7 (1) Where the transferred property is the interest of a...

Other property

- 8 (1) Where the transferred property is neither shares nor an...
9 Where the transferred property is neither shares nor an interest...

SCHEDULE 13 — Falls in Value of Land After Death [Provisions Added to
Schedule 10 to Finance Act 1975]

SCHEDULE 14 — Settled Property

Interpretation

- 1 References in the following provisions of this Schedule to sections...

Status: This is the original version (as it was originally enacted).

Capital distributions

- 2 In section 51(1), after the definition of " the Board...
 3 After subsection (2) of section 51 there shall be inserted—...
 4 In paragraph 2(1) of Schedule 4, after paragraph (b) there...
 5 At the end of paragraph 6 of Schedule 4 there...
 6 (1) Paragraph 16 of Schedule 4 shall be amended as...
 7 At the end of paragraph 25 of Schedule 4 there...
 8 (1) In paragraph 12(3) of Schedule 5, for the words...
 9 At the end of paragraph 11 of Schedule 10, there...

Interests in possession in Scotland

- 10 In paragraph 1(9) of Schedule 5, for the word "...

Charge on capital distributions

- 11 In paragraph 6(5) of Schedule 5, for the words "...

Settlor etc. becoming entitled to interest in possession

- 12 (1) Paragraph 6 of Schedule 5 shall have effect, and...

Non-resident beneficiaries

- 13 The following provisions shall cease to have effect—

Distribution payments made on same day

- 14 (1) After paragraph 10 of Schedule 5 there shall be...

Settlements of excluded property

- 15 (1) In determining for the purposes of any provision of...

Partially exempt transfers into settlement

- 16 In paragraph 11(2) of Schedule 5, after the words "where...

Periodic charge to tax

- 17 For paragraph 12(7) of Schedule 5 there shall be substituted—...

Superannuation schemes

- 18 Paragraph 16(1) of Schedule 5 shall have effect, and shall...

Protective trusts

- 19 (1) In paragraph 18 of Schedule 5, for paragraph (a)...

Liability of settlor

- 20 Section 25(3)(d) (which imposes liability for tax on the settlor...

SCHEDULE 15 — Repeals

PART I — CUSTOMS AND EXCISE

PART II — VALUE ADDED TAX

PART III — INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

- PART IV — LIFE POLICIES
- PART V — CAPITAL TRANSFER TAX
- PART VI — STAMP DUTY
- PART VII — MISCELLANEOUS