

## SCHEDULES

### SCHEDULE 1

Section 11.

#### WITHDRAWAL OF CHILD TAX ALLOWANCES : CONSEQUENTIAL PROVISIONS

##### *Relative taking charge of unmarried person's young brother or sister*

1 Section 13 of the Taxes Act shall cease to have effect.

##### *Additional personal allowance*

2 (1) Section 14 of the Taxes Act shall be amended as follows.

(2) In subsection (2) after the words "Subject to subsections (3) and (4) below " there shall be inserted the words " and to section 14A below " and for paragraphs (a) and (b) there shall be substituted the words " that a qualifying child is resident with him for the whole or part of the year, ".

(3) For subsection (3) there shall be substituted—

“(3) A claimant is entitled to only one deduction under subsection (2) above for any year of assessment irrespective of the number of qualifying children resident with him in that year.”

(4) After subsection (4) there shall be added—

“(5) For the purposes of this section a qualifying child means, in relation to any claimant and year of assessment, a child who—

(a) is born in, or is under the age of sixteen years at the commencement of, the year or, being over that age at the commencement of that year, is receiving full-time instruction at any university, college, school or other educational establishment; and

(b) is a child of the claimant or, not being such a child, is born in, or is under the age of eighteen years at the commencement of, the year and maintained for the whole or part of that year by the claimant at his own expense.

(6) In subsection (5)(a) above the reference to a child receiving full-time instruction at an educational establishment includes a reference to a child undergoing training by any person (" the employer ") for any trade, profession or vocation in such circumstances that the child is required to devote the whole of his time to the training for a period of not less than two years.

For the purpose of a claim in connection with a child undergoing training, the inspector may require the employer to furnish particulars with respect to the training of the child in such form as may be prescribed by the Board.

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- (7) If any question arises under this section whether a child is receiving full-time instruction at an educational establishment, the Board may consult the Secretary of State for Education and Science.

In the application of this subsection to Scotland and Northern Ireland, the Secretary of State and the Department of Education for Northern Ireland shall respectively be substituted for the Secretary of State for Education and Science.

- (8) In subsection (5)(b) above the reference to a child of the claimant includes a reference to a stepchild of his, an illegitimate child of his if he has married the other parent after the child's birth and an adopted child of his if the child was under the age of eighteen years when he was adopted.
- (9) Notwithstanding anything in section 9 of the Family Law Reform Act 1969 or any corresponding enactment in force in Northern Ireland or any rule of law in Scotland, for the purposes of subsection (5) above a child whose birthday falls on 6th April shall be taken to be over the age of sixteen at the commencement of the year which begins with his sixteenth birthday and over the age of eighteen at the commencement of the year which begins with his eighteenth birthday.”

3 After section 14 of the Taxes Act there shall be inserted the following section—

**“14A Apportionment of relief under s. 14.**

- (1) Where for any year of assessment two or more individuals are entitled to relief under section 14 above in connection with the same child—
- (a) the amount specified in subsection (2) of that section shall be apportioned between them ; and
  - (b) the deduction to which each of them is entitled under that section shall, subject to subsection (2) below, be equal to so much of that amount as is apportioned to him.
- (2) Where for any year of assessment amounts are apportioned to an individual under this section in respect of two or more children the deduction to which he is entitled for that year under section 14 above shall be equal to the sum of those amounts or the amount specified in subsection (2) of that section, whichever is the less.
- (3) Any amount required to be apportioned under this section shall be apportioned between the individuals concerned in such proportions as may be agreed between them or, in default of agreement, in proportion to the length of the periods for which the child in question is resident with them respectively in the year of assessment ; and where the proportions are not so agreed, the apportionment shall be made by such body of General Commissioners, being the General Commissioners for a division in which one of the individuals resides, as the Board may direct, or, if none of the individuals resides in Great Britain, by the Special Commissioners.
- (4) Where a claim is made under section 14 above and it appears that, if the claim is allowed, an apportionment will be necessary under this section, the Board may if they think fit direct that the claim itself shall be dealt with by any specified body of Commissioners which could under this section be

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directed to make the apportionment and that the same Commissioners shall also make any apportionment which proves to be necessary; and where a direction is given under this subsection no other body of Commissioners shall have jurisdiction to determine the claim.

- (5) The Commissioners making any apportionment under this section shall hear and determine the case in like manner as an appeal, but any individual who is, or but for the provisions of this section would be, entitled to relief in connection with the child shall be entitled to appear and be heard by the Commissioners or to make representations to them in writing.
- (6) For the purposes of this section an individual shall not be regarded as entitled to relief under section 14 above for any year of assessment in connection with the same child as another individual if there is another child in connection with which he, and he alone, is entitled to relief under that section for that year.”

*Exemption of social security benefits in respect of children etc.*

- 4 (1) In section 219(1)(a) of the Taxes Act the word " and " shall be omitted and at the end there shall be inserted the words " , child's special allowance and guardian's allowance and except so much of any benefit as is attributable to an increase in respect of a child. "
- (2) In section 219(2) of the Taxes Act for the words " and payments of child benefit" there shall be substituted the words " , payments of child benefit, payments by way of an allowance under section 70 of the Social Security Act 1975 or section 70 of the Social Security (Northern Ireland) Act 1975 and payments excepted by subsection (1) above from the charge to tax imposed by that subsection ".

SCHEDULE 2

Section 12.

SOCIAL SECURITY PENSIONS ACT : CONSEQUENTIAL PROVISIONS

- 1 For section 8(2)(b) of the Taxes Act (under which wife's earned income relief is available in respect of a Category A retirement pension and a mobility allowance) there shall be substituted—
- “(b) no payment of benefit under the Social Security Acts except—
- (i) a Category A retirement pension (exclusive of any increase under section 10 of the Social Security Pensions Act 1975 or the Northern Ireland equivalent); and
- (ii) a mobility allowance,
- shall be treated as earned income”.
- 2 In section 16 of the Taxes Act (dependent relative relief where dependant's income does not exceed the basic retirement pension by more than a specified amount) for subsections (2A) and (2B) there shall be substituted—
- “(2A) For the purposes of this section " the basic retirement pension " for any year means the aggregate of the payments to which a person would be entitled in that year on account of a Category A retirement pension under the Social

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Security Acts if the weekly rate of his pension consisted (and consisted only) of the full amount of the basic component.”

- 3 In section 219(1)(a) of the Taxes Act (benefits charged to or exempt from tax under Schedule E)—
- (a) for the word " or" there shall be substituted the words " , Part II of the Social Security Pensions Act 1975, " ;
  - (b) after the words " the Social Security (Northern Ireland) Act 1975 " there shall be inserted the words " or Part III of the Social Security Pensions (Northern Ireland) Order 1975 ".
- 4 In section 526(5) of the Taxes Act (interpretation) after the definition of " qualifying distribution " there shall be inserted—
- “ the Social Security Acts ' means the Social Security Acts 1975 or the Social Security (Northern Ireland) Acts 1975 ;”.
- 5 In paragraph 1 of Schedule 4 to the Finance Act 1971 (benefits excluded from wife's earnings in cases of separate taxation) for paragraph (b) there shall be substituted—
- “(b) any payment of benefit under the Social Security Acts except a Category A retirement pension (exclusive of any increase under section 10 of the Social Security Pensions Act 1975 or the Northern Ireland equivalent).”

### SCHEDULE 3

Section 13.

#### STOCK RELIEF

##### *Amount of stock relief*

- 1 (1) In paragraph 1(2) of Schedule 5 to the Finance Act 1976 (stock relief for purposes of income tax to be amount of increase in stock value less 15% of relevant income) for "15% " there shall be substituted " 10% ".
- (2) This paragraph has effect in relation to periods of account ending after 5th April 1979.

##### *Claims for partial relief*

- 2 (1) In paragraph 1(2) of the said Schedule 5 after " (2) " there shall be inserted the words " Subject to sub-paragraph (4) below " and after paragraph 1(3) of that Schedule there shall be inserted—
- “(4) A person may, in making a claim for relief under this paragraph in respect of any period of account, specify an amount of relief less than that stated in sub-paragraph (2) above and, if he does so, the relief to which he is entitled under this paragraph in respect of that period shall be the amount specified in the claim.”
- (2) In paragraph 9(2) of the said Schedule 5 after "(2)" there shall be inserted the words " Subject to sub-paragraph (4) below " and after paragraph 9(3) of that Schedule there shall be inserted—
- “(4) A company may, in making a claim for relief under this paragraph in respect of any period of account, specify an amount of relief less than that

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stated in sub-paragraph (2) above and, if it does so, the relief to which it is entitled under this paragraph in respect of that period shall be the amount specified in the claim.”

- (3) Sub-paragraph (1) above has effect in relation to periods of account ending after 5th April 1979 and sub-paragraph (2) above in relation to periods of account ending after 31st March 1979.

*Write-off of past relief*

- 3 (1) In sub-paragraph (2) of paragraph 26 of the said Schedule 5 (definition of unrecovered past stock relief) after " (2) " there shall be inserted the words " Subject to sub-paragraphs (3) to (5) below, " and after that sub-paragraph there shall be inserted—

“(3) There shall be excluded from the amount of unrecovered past relief in any period of account so much of that amount (if any) as is attributable to relief allowed under Part I or Part II of this Schedule in respect of any period of account which ended six years or more before the beginning of the first-mentioned period.

(4) There shall be excluded from the amount of unrecovered past relief in any period of account beginning after—

- (a) the end of the period or last period of account ending in the financial year 1978 (in the case of a company) or the year 1978-79 (in other cases); or  
(b) if there is no such period of account, the end of the period of account current at the end of that financial year or year of assessment, as the case may be,

so much of that amount (if any) as is attributable to Schedule 10 relief.

(5) For the purpose of attributing the amount of unrecovered past relief in any period to Schedule 10 relief or to relief allowed under Part I or Part II of this Schedule in respect of any previous period it shall be assumed that relief is recovered from later periods before earlier periods.”

- (2) In sub-paragraph (5) of paragraph 25 of the said Schedule 5 (special provisions for the recovery of relief in cases of election for herd basis) for the words from the beginning to " made " there shall be substituted the words "(5) Subject to sub-paragraph (5A) below,

the amount on which the charge is to be made " and after that subparagraph there shall be inserted—

“(5A) The amount on which the charge is to be made in respect of any period of account (" the period of charge ") shall not exceed the amount of unrecovered past relief attributed to the herd at the point of election less—

- (a) so much (if any) of the amount of that unrecovered past relief at that point as is attributable to relief allowed under Part I or Part II of this Schedule in respect of any period of account which ended six years or more before the beginning of the period of charge ;  
and  
(b) if the period of charge begins after the end of the period of account mentioned in paragraph 26(4)(a) or (b) below, so much (if any)

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of the amount of that unrecovered past relief at that point as is attributable to Schedule 10 relief ; and

- (c) the aggregate of the amounts on which charges have been made under this paragraph in respect of earlier periods of account for which the election has effect.”

## SCHEDULE 4

Section 24.

### DEVELOPMENT LAND TAX

- 1 In paragraph 1 of Schedule 7 to the Development Land Tax Act 1976 (cases where notice of acquisition is to be given) after " exceeds ", in sub-paragraphs (1) and (5) (b), there shall be inserted " the aggregate of £50,000 and ".
- 2 (1) In paragraph 5 of that Schedule (the formula deduction) in sub-paragraph (3) (disposals where formula deduction is nil and determination of " the exempt amount") for the words from the beginning to " does not exceed" there shall be substituted " In relation to a material disposal, any reference in the following provisions of this paragraph to ' the exempt amount' is a reference to " and for the words from " £10,000 " to the end of the sub-paragraph there shall be substituted " £50,000 ".
- (2) Sub-paragraphs (4) and (5) of that paragraph (the formula deduction for other disposals in interim financial years) shall be omitted.
- (3) In sub-paragraph (6) of that paragraph (the formula deduction for other disposals) the words from the beginning to " then " shall be omitted and, in paragraph (b), for " 80 per cent. " there shall be substituted " 60 per cent. ".
- (4) In sub-paragraph (7) of that paragraph (" the appropriate percentage " to be determined by regulations) for " such " there shall be substituted " 30 per cent, or such other
- (5) In sub-paragraph (8) of that paragraph the words " sub-paragraph (4)(b) or, as the case may be" shall be omitted.
- 3 In paragraph 7(3) of that Schedule (application of formula deduction where there is an advance payment of compensation) for " sub-paragraphs (4)(a) and" there shall be substituted " subparagraph ".
- 4 In paragraphs 35(1) and 38(3) of Schedule 8 to that Act (notices of disposals and of events giving rise to liability for tax) for " £10,000 ", in each place where it occurs, there shall be substituted " £50,000 ".

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## SCHEDULE 5

Section 25.

### REPEALS

#### PART I

##### VALUE ADDED TAX

Chapter	Short Title	Extent of Repeal
1975 c. 7.	The Finance Act 1975.	Section 1.
1975 c. 45.	The Finance (No. 2) Act 1975.	Section 17. Section 18(3)(b) and (c). Schedule 7.
1976 c. 40.	The Finance Act 1976.	Section 17.

These repeals take effect on 18th June 1979 and the repeal of Schedule 7 to the Finance (No. 2) Act 1975 has effect subject to section 1(2) of this Act.

#### PART II

##### INCOME TAX AND CORPORATION TAX

Chapter	Short Title	Extent of Repeal
1970 c. 10.	The Income and Corporation Taxes Act 1970.	Section 13. In section 15 the figure "13". In section 219(1)(a) the word " and ". Section 365(3).
1971 c. 68.	The Finance Act 1971.	Section 18(1)(a). In Schedule 4, in paragraph 3(3) the figure " 13 ".
1973 c. 51.	The Finance Act 1973.	Section 12(2)(c).
1975 c. 18.	The Social Security (Consequential Provisions) Act 1975.	In Schedule 2 paragraph 36.
1975 c. 60.	The Social Security Pensions Act 1975.	In Schedule 4 paragraphs 12 and 20.
1976 c. 40.	The Finance Act 1976.	Section 29(5).

1. The repeal of section 43 of the Finance Act 1976 has effect in relation to expenditure to which section 14(5) of this Act applies.
2. The repeal of section 1(1) of the Finance Act 1979 has effect subject to section 5(2) of this Act.
3. Subject as aforesaid, the repeals relating to income tax have effect for the year 1979-80 and subsequent years of assessment.

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Chapter	Short Title	Extent of Repeal
1977 c. 36.	The Finance Act 1977.	Section 31. In section 36(8)(b)(i) the figure " 13 ".
1978 c. 42.	The Finance Act 1978.	Section 43. Section 22(1)(e). Section 23(3) and (4).
1979 c. 25.	The Finance Act 1979.	Section 18. Section 19(1), (3) and (4). Section 20(4). Section 1(1), (2) and (3). In section 2, in subsection (1), the words " and the fraction mentioned in section 95(2) of the Finance Act 1972 (marginal relief for small companies)", and subsection (2).

1. The repeal of section 43 of the Finance Act 1976 has effect in relation to expenditure to which section 14(5) of this Act applies.
2. The repeal of section 1(1) of the Finance Act 1979 has effect subject to section 5(2) of this Act.
3. Subject as aforesaid, the repeals relating to income tax have effect for the year 1979-80 and subsequent years of assessment.

### PART III

#### PETROLEUM REVENUE TAX

Chapter	Short Title	Extent of Repeal
1975 c. 74.	Petroleum and Submarine Pipe-lines Act 1975.	Section 9(1). Section 15(2)(d).

The repeal of section 9(1) has effect for chargeable periods ending after 30th June 1979.

### PART IV

#### DEVELOPMENT LAND TAX

Chapter	Short Title	Extent of Repeal
1976 c. 24.	The Development Land Tax Act 1976.	In section 1(3) the words " Subject to section 13 below".

1. The repeals in Schedule 6 to the Development Land Tax Act 1976 take effect in accordance with section 24(5) of this Act.
2. The other repeals have effect with respect to disposals on or after 12th June 1979.



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Chapter	Short Title	Extent of Repeal
1978 c. 42.	The Finance Act 1978.	<p>Section 13.</p> <p>In Schedule 6, sub-paragraphs (5) to (9) of paragraph 4, sub-paragraphs (3) to (9) of paragraph 6 and paragraph 9.</p> <p>In Schedule 7, in paragraph 5, sub-paragraphs (4) and (5), in sub-paragraph (6) the words from the beginning to " then " and in sub-paragraph (8) the words " sub-paragraph (4)(b) or, as the case may be".</p> <p>Section 76.</p> <p>1. The repeals in Schedule 6 to the Development Land Tax Act 1976 take effect in accordance with section 24(5) of this Act.</p> <p>2. The other repeals have effect with respect to disposals on or after 12th June 1979.</p>