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## SCHEDULES.

### FIRST SCHEDULE

#### SUGAR, ETC.

Sections 6, 7.

#### PART I

#### DUTIES

Article.	Customs Duty.			Excise Duty.		
	£	s.	d.	£	s.	d.
Sugar which, when tested by the polariscope, indicates a polarisation exceeding ninety-eight degrees.....the cwt.	0	9	4	0	7	0
Sugar of a polarisation not exceeding seventy-six degrees.....the cwt.	0	4	6	0	3	4
Sugar of a polarisation— Exceeding 76 and not exceeding 77 the cwt.	0	4	7.5	0	3	5.6
Exceeding 77 and not	0	4	9.3	0	3	7

[NOTE.—The charge under this Schedule of a specified amount of duty on a specified weight of any article includes a charge of a proportionately less duty on any less weight of any article so charged.]

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Article.	Customs Duty.			Excise Duty.		
exceeding 78 the cwt.						
Exceeding 78 and not exceeding 79 the cwt.	0	4	11.1	0	3	8.3
Exceeding 79 and not exceeding 80 the cwt.	0	5	0.9	0	3	9.6
Exceeding 80 and not exceeding 81 the cwt.	0	5	2.7	0	3	11.0
Exceeding 81 and not exceeding 82 the cwt.	0	5	4.5	0	4	0.3
Exceeding 82 and not exceeding 83 the cwt.	0	5	6.3	0	4	1.7
Exceeding 83 and not exceeding 84 the cwt.	0	5	8.3	0	4	3.2
Exceeding 84 and not exceeding 85 the cwt.	0	5	10.3	0	4	4.7
Exceeding 85 and not exceeding 86 the cwt.	0	6	0.3	0	4	6.2
Exceeding 86 and not exceeding 87 the cwt.	0	6	2.3	0	4	7.7
Exceeding 87 and not exceeding 88 the cwt.	0	6	4.6	0	4	9.4
Exceeding 88 and not	0	6	6.8	0	4	11.1

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Article.	Customs Duty.			Excise Duty.		
exceeding 89 the cwt.						
Exceeding 89 and not exceeding 90 the cwt.	0	6	9.5	0	5	1.1
Exceeding 90 and not exceeding 91 the cwt.	0	7	0.2	0	5	3.1
Exceeding 91 and not exceeding 92 the cwt.	0	7	2.9	0	5	5.1
Exceeding 92 and not exceeding 93 the cwt.	0	7	5.6	0	5	7.2
Exceeding 93 and not exceeding 94 the cwt.	0	7	8.2	0	5	9.2
Exceeding 94 and not exceeding 95 the cwt.	0	7	10.9	0	5	11.2
Exceeding 95 and not exceeding 96 the cwt.	0	8	1.6	0	6	1.2
Exceeding 96 and not exceeding 97 the cwt.	0	8	4.3	0	6	3.2
Exceeding 97 and not exceeding 98 the cwt.	0	8	7.0	0	6	5.2
Molasses (except when cleared for use by a licensed						

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Article.	Customs Duty.			Excise Duty.		
distiller in the manufacture of spirits) and invert sugar and all other sugar and extracts from sugar which cannot be completely tested by the polariscope and on which duty is not specially charged by this section—						
If containing 70 per cent. or more of sweetening matter .....	0	5	11	0	4	5
the cwt.						
If containing less than 70 per cent. and more than 50 per cent. of sweetening matter.....	0	4	3	0	3	2
the cwt.						
If containing not more than 50 per cent. of sweetening matter.....	0	2	1	0	1	7
the cwt.						

[NOTE.—The charge under this Schedule of a specified amount of duty on a specified weight of any article includes a charge of a proportionately less duty on any less weight of any article so charged.]

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Article.	Customs Duty.			Excise Duty.		
The amount of sweetening matter to be taken to be the total amount of cane, invert, and other sugar contained in the article as determined by analysis in manner directed by the Commissioners of Customs and Excise.						
Glucose:						
Solid.....the cwt	5	11	0	5	11	
Liquid.....the cwt	4	3	0	4	3	
Saccharin (including substances of a like nature or use) .....the oz.	0	3	0.	0	3	0

[NOTE.—The charge under this Schedule of a specified amount of duty on a specified weight of any article includes a charge of a proportionately less duty on any less weight of any article so charged.]

Sections 6, 7.

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**(1)PART II****DRAWBACKS AND ALLOWANCES****(1) Customs Drawbacks under the Second Schedule of the Finance Act, 1901.**

	£	s.	d.
Drawback to be allowed to a refiner on molasses produced in Great Britain or Ireland from imported sugar and delivered by him to a licensed distiller for use in the manufacture of spirits .....the cwt.	0	2	1
Other drawbacks	According to the amount of duty paid.		

**(2) Excise Drawbacks.**

A.—Under the Third Schedule of the Finance Act, 1901	According to the amount of duty Paid.		
B.—Drawback to be allowed on molasses produced in Great Britain or Ireland from sugar made in Great Britain or Ireland and delivered to a licensed distiller for use in the manufacture of spirits the cwt.	£	s.	d.
	0	1	7
C.—Drawback to be allowed in any other case on articles liable to the Excise duty exported or shipped for use as stores, if it is shown to the satisfaction of the Commissioners of	According to the amount of duty paid.		

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(1) <sup>\*</sup>  
**THE SUBSTITUTED DRAWBACKS AND ALLOWANCES SHALL ONLY TAKE EFFECT WHERE IT IS SHOWN THAT DUTY HAS BEEN PAID AT THE INCREASED RATE.**

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Customs and Excise  
 that the Excise duty  
 has been duly paid -

(3) Allowances on Molasses used solely for the Purpose of Food for Stock.

	£	s.	d.
Allowance to a refiner on molasses under subsection (2) of section one of the Revenue Act, 1903 .....the cwt.	0	2	1
Allowance on molasses produced from sugar made in Great Britain or Ireland in circumstances in which an allowance would be allowed under subsection (2) of section one of the Revenue Act, 1903, in respect of molasses produced from imported sugar ... the cwt.	0	1	7

Section 7.

**PART III**

PROVISIONS AS TO EXCISE DUTIES

- 1 No excise duty shall be charged, on sugar made from material on which the duty of Customs payable in respect of sugar has been paid on importation.
- 2 A manufacturer's licence under this Act shall not be required for the manufacture of invert sugar by a person who has taken out a licence under section five of the Finance Act, 1901, nor shall a manufacturer's licence under that section be required for the manufacture of invert sugar so far as that manufacture is incidental to, and carried on on the same premises as, the manufacture of sugar by a person who has taken out a licence as a manufacturer under this Act.
- 3 The Commissioners of Customs and Excise may make regulations prohibiting the manufacture of sugar except by persons holding a licence and having made entry for the purpose, and for fixing the date of expiration of the licence, and also for regulating the manufacture of sugar and the removal from the manufactory of sugar with a view to securing and collecting the Excise duty imposed by this Act, and may by those regulations apply to the Excise duties and drawbacks on sugar and to manufacturers of sugar any enactments relating to any duty or drawback of

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Excise or Customs, and to persons carrying on any trade subject to the laws of Excise ; and if any person acts in contravention of, or fails to comply with, any of those regulations, the article in respect of which the offence is committed shall be forfeited and the person committing the offence shall be liable in respect of each offence to an Excise penalty of fifty pounds.

- 4 The powers given to the Commissioners of Customs and Excise by this section shall be in addition to and not in derogation of any powers given to them under the Finance Act, 1901, section two of the Sugar Convention Act, 1903, or any other Act.

SECOND SCHEDULE

Section 9.

TOBACCO

PART I

ADDITIONAL CUSTOMS DUTIES

		<i>s.</i>	<i>d.</i>
Upon tobacco unmanufactured, viz.:			
—			
Containing 10 lbs. or more of moisture in every 100 lbs. weight thereof—			
Unstripped	the lb.	1	10
Stripped	the lb.	1	10
Containing less than 10 lbs. of moisture in every 100 lbs. weight thereof—			
Unstripped	the lb.	2	0 ½
Stripped	the lb.	2	0 ½
Upon tobacco manufactured, viz. :			
—			
Cigars	the lb.	3	6
Cigarettes	the lb.	2	10
Cavendish or negrohead	the lb.	2	8
Cavendish or negrohead manufactured in bond	the lb.	2	4



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		<i>s.</i>	<i>d.</i>
Other manufactured tobacco	the lb.	2	4
Snuff containing more than 13 lbs. of moisture in every 100 lbs. weight thereof	the lb.	2	2 ½
Snuff not containing more than 13 lbs. of moisture in every 100 lbs. weight thereof	the lb.	2	8

## PART II

### ADDITIONAL EXCISE DUTIES

		<i>s.</i>	<i>d.</i>
Upon tobacco unmanufactured, viz.: —			
Tobacco containing 10 lbs. or more of moisture in every 100 lbs. weight thereof	the lb.	1	10
Tobacco containing less than 10 lbs. of moisture in every 100 lbs. weight thereof	the lb.	2	0 ½
Upon tobacco manufactured, viz.:—			
Cavendish or negrohead manufactured in bond -and so in proportion for any less quantity.	the lb.	2	4

## PART III

### RATES OF DRAWBACK

		<i>s.</i>	<i>d.</i>
Cigars	the lb.	6	3
Cigarettes	the lb.	6	1 ½

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		<i>s.</i>	<i>d.</i>
Cut, roll, cake, or other manufactured tobacco	the lb.	6	0
Snuff (not being offal snuff)	the lb.	5	9
Stalks, shorts, or other refuse of tobacco (including offal snuff)	the lb.	5	7 ½

## THIRD SCHEDULE

Section 20(3).

## TABLE.

Percentage by which the actual income is less than the Income on which Income Tax has been assessed or charged.	Amount of Repayment of Additional Tax.
11 per cent. and under 12 per cent	10 per cent.
12 per cent. and under 13 per cent	20
13 per cent. and under 14 per cent	30
14 per cent. and under 15 per cent	40
15 per cent. and under 16 per cent	50
16 per cent. and under 17 per cent	60
17 per cent. and under 18 per cent	70
18 per cent. and under 19 per cent	80
19 per cent. and under 20 per cent	90
20 or more	100

## FOURTH SCHEDULE

Section 40.

**PART I**

## COMPUTATION OF PROFITS

- 1 The profits shall be taken to be the actual profits arising in the accounting period ; and the principle of computing profits by reference to any other year or an average of years shall not be followed.
- 2 The principle of the Income Tax Acts under which deductions are not allowed for interest on money borrowed for the purpose of the trade or business, or for rent, or

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- royalties, or for other payments income tax on which is collected at the source, (not being payments of dividends or payments for the distribution of profits), and under which profits or gains arising from lands, tenements, or hereditaments forming part of the assets of the trade or business are excluded shall not be followed.
- 3 Deductions for wear and tear or for any expenditure of a capital nature for renewals, or for the development of the trade or business or otherwise in respect of the trade or business, shall not be allowed except such as may be allowed under the Income Tax Acts, and if allowed shall be only of such amount as appears to the Commissioners of Inland Revenue to be reasonably and properly attributable to the year or accounting period.
- 4 Deductions shall not be allowed on account of the liability to pay, or the payment of, income tax or excess profits duty, but a deduction shall be allowed (if not otherwise allowed by means of the adoption of the principle of the Income Tax Acts) for any sum which has been paid in respect of the profits on account of any excess profits duty or similar duty imposed in any country outside the United Kingdom.
- 5 Any deduction allowed for the remuneration of directors, managers, and persons concerned in the management of the trade or business shall not", unless the Commissioners of Inland Revenue, owing to any special circumstances or to the fact that the remuneration of any managers or managing directors depends on the profits of the trade or business, otherwise direct, exceed the sums allowed for those purposes in the last prewar trade year or a proportionate part thereof as the case requires, and no deduction shall be allowed in respect of any transaction or operation of any nature, where it appears, or to the extent to which it appears, that the transaction or operation has artificially reduced the amount to be taken as the amount of the profits of the trade or business for the purposes of this Act.
- 6 Where any company,- either in its own name or that of a nominee, owns the whole of the ordinary capital of any other company carrying on the same trade or business or so much of that capital as under the general law a single shareholder can legally own, the provisions of Part III of this Act as to excess profits duty and the pre-war standard of profits shall apply as if that other company were a branch of the first-named company, and the profits of the two companies shall not be separately assessed.
- 7 Where in the case of any trade or business—
- (a) the percentage standard is adopted as the pre-war standard of profits ; and
  - (b) the net result of the trade or business during the three last pre-war trade years has shown a loss ; and
  - (c) any part of the profits has been applied in extinction of that loss ;
- then in estimating the profits, a deduction shall be allowed equal to the amount of profits so applied.
- 8 In estimating the profits no account shall be taken of income received from investments except in the case of life assurance businesses and businesses where the principal business consists of the making of investments. Where account is taken of any such income—
- (a) any variation in the value of any of those investments which appears to the Commissioners of Inland Revenue not to be due to a variation in profits shall also be taken into account; and
  - (b) where the income has been derived from profits in respect of ' which any payment or repayment of excess profits duty has been made under this Act,

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such deduction or addition shall be made in computing the profits as will make proper allowance for that payment or repayment of duty.

- 9 In computing the total profits of a local authority from any trades or businesses carried on by that authority the total amount- which is required to be raised by them, out of the rates or otherwise, for sinking fund purposes in connection with those trades or businesses shall be allowed as a deduction.
- 10 In the case of societies registered under the Industrial and Provident Societies Acts the excess profits duty shall be charged on the sum by which the profits per member for the accounting period (including any surplus arising from transactions with members) exceed the like profits per member in, the pre-war trade year or average of years taken as the basis' of computation for the purpose of the pre-war standard of profits, multiplied by the number of members in the accounting period.
- 11 In the case of any contract extending beyond one accounting period from the date of its commencement to the completion thereof and only partially performed in any accounting period there shall (unless the Commissioners of Inland Revenue, owing to any special circumstances, otherwise direct) be attributed to each of the accounting periods in which such contract was partially performed, such proportion of the entire profits or loss or estimated profits or loss in respect of the complete performance of the contract as shall be properly attributable to such accounting periods respectively, having regard to the extent to which the contract was performed in such periods.

## PART II

### PRE-WAR STANDARD

- 1 The profits of any pre-war trade year shall be computed on the same principles and subject to the same provisions as the profits of the accounting period are computed.
- 2 Where the accounting period for which the excess profits duty is to be assessed is less than a year, the amount of the pre-war standard of profits shall be proportionately reduced.
- 3 Where it is shown to the satisfaction of the Commissioners of Inland Revenue in the case of any trade or business that the three last pre-war trade years have been years of abnormal depression, any four of the last six pre-war trade years may be substituted for the purposes of the pre-war standard of profits for any two of the three last; pre-war trade years.
- The three last pre-war trade years shall not be considered as years of abnormal depression unless the average profits of those years have been at least twenty-five per cent. lower than the average profits of the preceding three years.
- 4 Where owing to the recent commencement of a trade or business there have not been three pre-war trade years, but there have been two pre-war trade years, the pre-war standard of profits shall be taken to be the amount of the profits arising from the trade or business on the average of those two years or, at the option of the taxpayer, the profits arising from the trade or business during the last of those two years, and where there have not been two pre-war trade years, but there has been one pre-war trade year, the pre-war standard of profits shall be taken to be the profits arising from the trade or business during that year ; and where there has not been one pre-war trade .year, the pre-war standard of profits shall be taken to be

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the statutory percentage on the average amount of capital employed in the trade or business during the accounting period.

Where the trade or business is an agency or business of a nature involving capital of a comparatively small amount, the pre-war standard of profits shall be computed by reference to the profits arising from any trade, business, office, employment or profession of any sort, whether liable to excess profits duty or not, carried on by the agent or other person before his new trade or business commenced as if it was the same trade or business ; but only to the extent to which the income from the former trade, business, office, employment or profession has been diminished.

5 Where since the commencement of the three last pre-war trade years a trade or business has changed ownership, the provisions of this Part of this Schedule shall apply as if a new trade or business had been commenced on the change of ownership, except in cases when the taxpayer makes an application that the provisions of Part III of this Act and this Schedule should apply as if the trade or business had not changed ownership, but in that case such modifications (if any) shall be made in the application of this Schedule as may be necessary to. make the basis on which the profits standard is computed the same as that on which the profits of the accounting period are computed.

6 It is hereby declared that, where any business or trade is confined to the management of any particular assets, but power exists to substitute other assets for those particular assets or any of them, such a substitution shall not be deemed, for the purposes of Part III of this Act, to constitute a change of ownership of the business ; but, where any such substitution has been carried out- by the sale of assets and the purchase of other assets, the capital of the trade or business shall be taken to be increased or decreased, as the case may be, only by the amount of the difference between the price of the - assets purchased and the price obtained for the assets sold, and the capital representing the assets purchased shall be estimated on the same basis for all the purposes of Part III of this Act.

### **PART III**

#### **CAPITAL**

1 The amount of the capital of a trade-or business shall, so far as it does not consist of money, be taken to be—

- (a) so far as it consists of assets acquired by purchase, the price at which those assets were acquired, subject to any proper deductions for wear and tear or replacement, or for unpaid purchase money; and
- (b) so far as it consists of assets being debts due to the trade or business, the nominal amount of those debts subject to any reduction which has been allowed in respect of those debts for income tax purposes; and
- (c) so far as it consists of any other assets which have not been acquired by purchase, the value of the assets at the time when they became assets of the trade or business, subject to any - proper deductions for wear and tear or replacement.

Nothing in this Part of this Schedule shall prevent accumulated profits employed in the business being treated as capital.

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- 2 Any capital the income on which is-not taken into account for the purposes of Part I. of this Schedule, and any borrowed money or debts, shall be deducted in computing the amount of capital for the purposes of Part III of this Act.
- 3 Where any asset has been paid for otherwise than in cash, the cost price of that asset shall be taken to be the value of the consideration at the time the asset was acquired, but where a trade or business has been converted into a company and the shares in the company are wholly or mainly held by the person who was owner of the trade or business, no value shall be attached to those shares so far as they are represented by goodwill or otherwise than by material assets of the company unless the Commissioners of Inland Revenue in special circumstances -otherwise direct. Patents and secret processes shall be deemed to be material assets.

## FIFTH SCHEDULE

Section 51.

## ENACTMENTS REPEALED

Session and Chapter.	Short Title.	Extent of Repeal.
5 & 6 Vict. c. 35.	The Income Tax Act, 1842	Section one hundred and eight.
43 & 44 Vict. c. 24.	The Spirits Act, 1880	Table B. in the Second Schedule.
7 Edw. 7.c. 13	The Finance Act, 1907	Subsection (4) of section nineteen.
2 & 3 Geo. 5 c. 8.	The Finance Act, 1912	Section two.