



Finance Act 1942

1942 CHAPTER 21

PART II

PURCHASE TAX.

17 Higher rate of purchase tax on certain goods.

- (1) In the case of goods falling within any of the classes specified in the Seventh Schedule to this Act, being goods falling within any of the classes specified in the first column of the Seventh Schedule to the Finance (No. 2) Act, 1940, and not falling within any of the classes specified in the second or third column of that Schedule, purchase tax becoming due on the fifteenth day of April, nineteen hundred and forty-two, or (subject to any order under section twenty of the said Act) thereafter, shall be charged at a rate to be called the "higher rate", which shall be two-thirds' of the wholesale value of the goods.
- (2) Where in respect of goods bought under a purchase made before the said fifteenth day of April, any purchase tax which would have been chargeable at the basic rate if this Act had not been passed becomes chargeable at the higher rate, the seller may, in the absence of agreement to the contrary, recover, as an addition to the consideration, a sum equal to the excess of the amount of the tax chargeable in respect of the goods over what it would have been if this Act had not been passed.
- (3) There shall be made in the provisions of the Finance (No. 2) Act, 1940, specified in the first column of the Eighth Schedule to this Act (which relate to the matters specified in the second column thereof) the consequential amendments specified in the third column thereof.

18 Charge of purchase tax on account books and plain books.

- (1) Purchase tax shall become chargeable at the basic rate in respect of the following goods, namely, account books and plain books (whether ruled or not).

Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

- (2) In accordance with the preceding subsection the Seventh Schedule to the Finance (No. 2) Act, 1940, shall be amended by deleting from the third column thereof the reference to such books as aforesaid.
- (3) The preceding provisions of this section shall be deemed to have come into operation on the fifteenth day of April, nineteen hundred and forty-two, and shall have effect in respect of any such books as aforesaid—
 - (a) delivered on the said fifteenth day of April or (subject to any order under section twenty of the Finance (No. 2) Act, 1940) thereafter, if the purchase under which the goods are bought is other than an importer's purchase ; or
 - (b) entered for home use on that day or (subject as aforesaid) thereafter, if the purchase is an importer's purchase.
- (4) Where in respect of any such books as aforesaid bought under a purchase made before the said fifteenth day of April, any purchase tax which would not have been chargeable if this Act had not been passed becomes chargeable, the seller may, in the absence of agreement to the contrary, recover, as an addition to the consideration, a sum equal to the amount of the tax chargeable in respect of the books.

19 Provision as to orders for relief from purchase tax of utility goods.

- (1) In an order made under section twenty of the Finance (No. 2) Act, 1940, directing that purchase tax shall cease to be chargeable, or that a lower rate shall be substituted for a greater rate, the definition of the class of goods in respect of which the order is to have effect may be limited by reference to use of the utility mark, notwithstanding that the effect of the order as respects any particular goods may be thereby rendered dependent on the operation for the time being of any provision made by or under the Apparel and Textiles Order, 1942, or by or under any other order made by the Board of Trade for regulating the use of the said mark in relation to goods of any kind.
- (2) In this section the expression " the utility mark " means the mark shown in the Third Schedule to the. Apparel and Textiles Order, 1942.
- (3) This section shall be deemed to have come into operation on the first day of June, nineteen hundred and forty-two, being the date of the coming into operation of the said Order.

20 Priority of purchase tax in bankruptcy, winding-up, and c.

- (1) There shall be included among the debts which, under section thirty-three of the Bankruptcy Act, 1914, are to be paid in priority to all other debts in the distribution of the property of a bankrupt or person dying insolvent, the amount of any purchase tax due from the bankrupt at the date of the receiving order, or from the person so dying at the date of his death, and having become due within twelve months next before that date.
- (2) There shall be included among the debts which, under section two hundred and sixty-four of the Companies Act, 1929, are to be paid in priority to all other debts in the winding-up of a company, the amount of any purchase tax due from the company at the relevant date within the meaning of that section, and having become due within twelve months next before that date.

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(3) Where a receiver is appointed on behalf of the holders of any debentures of a company secured by a floating charge, or possession is taken by or on behalf of those debenture holders of any property comprised in or subject to the charge, there shall be included among the debts Which, under section seventy-eight of the Companies Act, 1929, are to be paid in priority to any claim for principal- or interest in respect of the debentures, the amount of any purchase tax due at the date of the appointment of the receiver or of possession being taken as aforesaid, and having become due within twelve months next before that date.

(4) In the application of this section to Scotland, the following subsection shall be substituted for subsection (1)—

“(1) There shall be included among the debts which, under section one hundred and eighteen of the Bankruptcy (Scotland) Act, 1913, are to be paid in priority to all other debts in the division of a bankrupt's estate, the amount of any purchase tax due by the bankrupt at the date mentioned , in subsection (4) of that section, and having become due within twelve months next before that date.”;

and the last foregoing subsection shall not apply to a company registered in Scotland.

(5) In the application of this section to Northern Ireland, the following subsection shall be substituted for subsection (1)—

“(1) There shall be included among the debts which, under section one of the Preferential Payments in Bankruptcy Act (Northern Ireland), 1933, are to be paid in priority to all other debts in the distribution of the property of a bankrupt, arranging debtor or person dying insolvent, the amount of any purchase tax due—

- (a) from the bankrupt, at the date of the order of adjudication ; or
- (b) from the arranging debtor, at the date of the filing of the petition for arrangement; or
- (c) from the person so dying, at the date of his death ;

and having become due within twelve months next before that date.”;

and subsections (2.) and (3) of this section shall have effect as if references to section two hundred and thirty-four and to section seventy-six of the Companies Act (Northern Ireland), 1932, were respectively substituted for references to section two hundred and sixty-four and to section seventy-eight of the Companies Act, 1929.