AN BILLE AIRGEADAIS, 1956.
FINANCE BILL, 1956.

Mar a ritheadh ag Dáil Éireann.
As passed by Dáil Éireann.

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AN BILLE AIRGEADAIS, 1956.

FINANCE BILL, 1956.

BILL

entitled

AN ACT TO CHARGE AND IMPOSE CERTAIN DUTIES OF CUSTOMS AND INLAND REVENUE (INCLUDING EXCISE), TO AMEND THE LAW RELATING TO CUSTOMS AND INLAND REVENUE (INCLUDING EXCISE) AND TO MAKE FURTHER PROVISIONS IN CONNECTION WITH FINANCE.

BE IT ENACTED BY THE OIREACHTAS AS FOLLOWS :—

PART I.

Income Tax.

Income tax and sur-tax for the year 1956-57.

1.—(1) Income tax shall be charged for the year beginning on the 6th day of April, 1956, at the rate of seven shillings and sixpence in the pound.

(2) Sur-tax for the year beginning on the 6th day of April, 1956, shall be charged in respect of the income of any individual the total of which from all sources exceeds one thousand five hundred pounds and shall be so charged at the same rates as those at which it is charged for the year beginning on the 6th day of April, 1955.

(3) The several statutory and other provisions which were in force on the 5th day of April, 1956, in relation to income tax and sur-tax shall, subject to the provisions of this Act, have effect in relation to the income tax and sur-tax to be charged as aforesaid for the year beginning on the 6th day of April, 1956.

Amendment of section 32 of Income Tax Act, 1918.

2.—Section 32 of the Income Tax Act, 1918, as amended by subsequent enactments, is hereby further amended as follows:

(i) in paragraph (*c*) of subsection (3) " or, where special terms apply to the insurance on the life of the insured person, of the prescribed capital sum " shall be inserted after " capital sum assured " and " or the prescribed capital sum " shall be inserted after " any such capital sum " and after " the sum actually assured ";

(ii) after subsection (3) the following subsection shall be inserted:

" (3A) In paragraph (*c*) of subsection (3) of this section—

' special terms ' in relation to an insurance means terms which, by reason of special circumstances concerning the health of the insured person, are less favourable as to the amounts of the premiums payable or as to the capital sum payable on death, than those which would otherwise be available from the same insurer;

'the prescribed capital sum' means, in relation to an insurance (in this definition referred to as the said insurance), to which special terms apply, on the life of an insured person, the capital sum which would have been payable by the insurer on the death of that person by virtue of an insurance to which special terms did not apply and which, except as regards the capital sum payable on death, was in all respects the same as the said insurance."

Exemption of certain interest.

3.—(1) Where the total income of an individual for the year of assessment includes, or would but for this section include, any sums (in this section referred to as the said sums) paid or credited in respect of interest on deposits with a trustee savings bank, with the Post Office Savings Bank or with any of the commercial banks, the said sums shall be disregarded for all the purposes of the Income Tax Acts if or in so far as the said sums do not exceed twenty-five pounds, but the provisions of the Income Tax Acts as regards the making by the individual of a return of his total income shall apply as if this section had not been enacted.

(2) *Subsection (1)* of this section shall have effect subject to the proviso that where an application under Rule 17 of the General Rules applicable to Schedules A, B, C, D and E of the Income Tax Act, 1918, or under section 8 of that Act is made for the year of assessment by a married man or by his wife, and the aggregate of the said sums which are included, or which would but for this section be included, in the total incomes of the spouses exceeds twenty-five pounds, the amount of the said sums to be disregarded for that year in the case of each spouse shall be the amount which bears the same proportion to twenty-five pounds as the amount of the said sums which are included, or which would but for this section be included, in the total income of that spouse bears to the aggregate of the said sums which are included, or which would but for this section be included, in the total incomes of the spouses; and that, in the absence of any such application as aforesaid, a like apportionment shall, where necessary, be made.

(3) Where any sums arising to an individual are, by virtue of this section, to be disregarded, the individual shall not be treated, by reason of such disregarding, as having ceased to possess the whole of a single source within the meaning of section 10 of the Finance Act, 1929 (No. 32 of 1929).

(4) In this section—

"total income" means total income from all sources as estimated in accordance with the provisions of the Income Tax Acts;

"the commercial banks" means the Bank of Ireland, the Hibernian Bank, Limited, the Munster and Leinster Bank, Limited, the National Bank, Limited, the Northern Bank, Limited, the Provincial Bank of Ireland, Limited, the Royal Bank of Ireland, Limited, the Ulster Bank, Limited, Ansbacher & Company, Limited, the Commercial Banking Company, Limited, Guinness & Mahon and the National City Bank, Limited;

"trustee savings bank" has the same meaning as in the Trustee Savings Banks Acts, 1863 to 1920.

Increase of personal allowance for married man.

4.—Subsection (1) of section 18 of the Finance Act, 1920, as amended by subsequent enactments, is hereby further amended by the substitution of "a deduction of three hundred and ten pounds" for "a deduction of three hundred pounds".

Deductions in respect of children.

5.—(1) Subsection (1) of section 21 of the Finance Act, 1920, is hereby amended by the insertion at the end of that subsection of "and a child in respect of whom an adoption order under the Adoption Act, 1952 (No. 25 of 1952), is in force".

(2) Subsection (2) of section 21 of the Finance Act, 1920, is hereby amended by the deletion of "at the commencement of that year" where those words firstly appear in that subsection.

6.—Subsection (1) of section 22 of the Finance Act, 1920, as amended by subsequent enactments, is hereby further amended by the substitution of " a deduction of sixty pounds " for " a deduction of fifty pounds ". Increase of deduction in respect of dependent relative.

7.—(1) In this section " the principal section " means section 7 of the Finance Act, 1932 (No. 20 of 1932). Amendment of section 7 of Finance Act, 1932.

(2) Where—

(*a*) a company has issued any stocks, shares or securities in respect of which a certificate under subsection (2) of the principal section has been given and continues to have effect, and

(*b*) the company subsequently issues, whether before or after the passing of this Act, any stocks, shares or securities—

(i) offered or allotted to the holders as such, at or about the time of such subsequent issue, of the first-mentioned stocks, shares or securities or of a particular class thereof, and

(ii) so offered or allotted on a basis calculated by reference to the respective holdings of those holders,

the stocks, shares or securities which the company subsequently issues as aforesaid shall, for the purposes of the principal section, be deemed to be issued for public subscription.

(3) Notwithstanding anything contained in paragraphs (*b*) and (*c*) of subsection (2) of the principal section, a certificate may be given under that subsection in respect of any stocks, shares or securities of a company which were or are issued as fully paid up and which, by virtue of *subsection* (*2*) of this section, are deemed to be issued for public subscription.

(4) Where a certificate is given under subsection (2) of the principal section in respect of any stocks, shares or securities which, by virtue of *subsection* (*2*) of this section, are deemed to be issued for public subscription, relief or repayment under subsection (1) of the principal section shall, nevertheless, not be granted in respect of any dividend or interest on the stocks, shares or securities which was payable before the date of the certificate.

PART II.

Customs and Excise.

8.—(1) In this section— Tobacco.

" the Act of 1932 " means the Finance Act, 1932 (No. 20 of 1932);

" the Act of 1934 " means the Finance Act, 1934 (No. 31 of 1934);

" the Act of 1952 " means the Finance Act, 1952 (No. 14 of 1952).

(2) The duty of customs on tobacco imposed by section 20 of the Act of 1932 shall, as on and from the 9th day of May, 1956, be charged, levied and paid at the several rates specified in *Part I* of the *First Schedule* to this Act in lieu of the several rates at which the said duty is now chargeable by virtue of section 12 of the Act of 1952.

(3) The duty of excise on tobacco imposed by section 19 of the Act of 1934 shall, as on and from the 9th day of May, 1956, be charged, levied and paid at the several rates specified in *Part II* of the *First Schedule* to this Act in lieu of the several rates at which the said duty is now chargeable by virtue of section 12 of the Act of 1952.

(4) Subsections (3) and (4) of the said section 19 of the Act of 1934, and subsection (5) thereof subject to *subsection* (*5*) of this section, shall apply to tobacco which is chargeable with the duty of excise imposed by subsection (1) of the said section 19 at a rate specified in *Part II* of the *First Schedule* to this Act, and for the

purpose of such application references in the said subsections (3), (4) and (5) of the said section 19 to Part I of the Sixth Schedule to the said Act of 1934 shall be construed and have effect as references to *Part II* of the *First Schedule* to this Act.

(5) The rebate on unmanufactured tobacco mentioned in subsection (3) of section 20 of the Act of 1932, as amended by section 18 of the Act of 1934, and in subsection (5) of section 19 of the Act of 1934, shall, on and from the 9th day of May, 1956, be at the rate of five pence per pound.

(6) The rebate on hard pressed tobacco mentioned in subsection (2) of section 17 of the Finance Act, 1940 (No. 14 of 1940), shall, in respect of any such tobacco sold and sent out for use within the State by any licensed manufacturer on or after the 9th day of May, 1956, be at the rate of twelve shillings and four pence per pound.

(7) As respects unmanufactured tobacco which, apart from this subsection, would be entitled by virtue of section 5 of the Finance Act, 1950 (No. 18 of 1950), to the preferential rates of customs duties specified in the Second Schedule to the Finance Act, 1949 (No. 13 of 1949), the duty of customs chargeable thereon on delivery from bonded warehouse shall, as on and from the 9th day of May, 1956, be charged, levied and paid at the rates for unmanufactured tobacco specified in *Part III* of the *First Schedule* to this Act.

Tobacco (excise duty on certain stocks).

9.—(1) Subject to the provisions of *subsection (2)* of this section, there shall be charged, levied and paid on all stocks of tobacco of every description which at five o'clock in the afternoon of the 8th day of May, 1956, are in the ownership or possession of a licensed manufacturer of tobacco and in any place in the State other than a bonded warehouse, a duty of excise, payable by the manufacturer, at the following rate, that is to say:

(*a*) so far as the stocks consist of unmanufactured tobacco, seven shillings and eleven pence for every pound weight of the stocks, and

(*b*) so far as the stocks consist of tobacco (including snuff) other than unmanufactured tobacco, seven shillings and eleven pence for every pound weight of unmanufactured tobacco from which, in the opinion of the Revenue Commissioners, the stocks were derived.

(2) The duty imposed by *subsection (1)* of this section shall not be chargeable on any manufactured tobacco (including cigarettes, cigars and snuff, other than offal snuff) as to which it is shown to the satisfaction of the Revenue Commissioners that it was at five o'clock in the afternoon of the 8th day of May, 1956, fully prepared for sale by retail and that either—

(i) it was not the product of any operation carried out by any manufacturer in whose ownership or possession it was at that time; or

(ii) it was at that time held as retail stock in premises used for selling tobacco by retail; or

(iii) it was at that time in transit from seller to buyer under a contract of sale:

Provided that no tobacco shall be deemed for the purposes of this subsection to have been fully prepared for sale by retail if, according to the ordinary course of business of the person in whose ownership or possession it was or to whom it was in transit, it had still to be subjected to some further process (other than packing) before being sold by him.

(3) Every licensed manufacturer of tobacco shall not later than the 15th day of May, 1956, make a return to the Revenue

Commissioners in a form approved by them giving such information as they may thereby require and, in particular, showing the quantities by weight of tobacco of every description in his ownership or possession at five o'clock in the afternoon of the 8th day of May, 1956, in any place in the State other than a bonded warehouse.

(4) Every licensed manufacturer of tobacco shall—

(*a*) produce, if so required, to any officer of Customs and Excise the trade books and all accounts and documents belonging to or in the possession of such manufacturer which are necessary for verifying the return made in pursuance of *subsection* (*3*) of this section, and

(*b*) render all reasonable assistance to such officer in the taking of an account of the tobacco which was in the ownership or possession of such manufacturer at five o'clock in the afternoon of the 8th day of May, 1956.

(5) Every licensed manufacturer of tobacco shall, immediately upon making the return required by *subsection* (*3*) of this section or on the 15th day of May, 1956, whichever is the earlier, pay to the Revenue Commissioners the full amount of the duty mentioned in this section on any tobacco which was in his ownership or possession at five o'clock in the afternoon of the 8th day of May, 1956, and was chargeable with the said duty, and the Revenue Commissioners may, if they think fit, defer the payment of the duty to a date not later than the 1st day of January, 1957, upon the manufacturer giving security by bond or otherwise to their satisfaction that such duty will be paid.

(6) Every manufacturer required by *subsection* (*3*) of this section to make such return as is mentioned in that subsection who either fails to make such return or makes a return which is incomplete, false or misleading in any material respect or fails or refuses to do anything which he is required by *subsection* (*4*) of this section to do shall be guilty of an offence under the statutes relating to duties of excise and shall for every such offence incur an excise penalty of fifty pounds, and all tobacco in relation to which such offence was committed shall be forfeited.

(7) Where drawback is payable in respect of tobacco on which the excise duty imposed by *subsection* (*1*) of this section has been paid, such drawback shall, to the extent of the duty paid in pursuance of the said *subsection* (*1*) as determined by the Revenue Commissioners, be a drawback of excise.

Mineral hydrocarbon light oil.

10.—(1) In this section " the Act of 1952 " means the Finance Act, 1952 (No. 14 of 1952).

(2) The duty of customs imposed by section 1 of the Finance (Customs Duties) (No. 4) Act, 1931 (No. 43 of 1931), as amended by subsequent enactments, shall in respect of mineral hydrocarbon light oil chargeable with that duty, be charged, levied and paid as on and from the 9th day of May, 1956, at the rate of two shillings and three pence farthing the gallon in lieu of the rate specified in paragraph (*b*) of subsection (1) of section 6 of the Act of 1952.

(3) The duty of excise imposed by section 1 of the Finance (Miscellaneous Provisions) Act, 1935 (No. 7 of 1935), as amended by subsequent enactments, shall in respect of mineral hydrocarbon light oil chargeable with that duty which is sent out, on or for sale or otherwise, from the premises of the manufacturer thereof on or after the 9th day of May, 1956, or is used by such manufacturer on or after that date for any purpose other than the manufacture or production of mineral hydrocarbon oil, be charged, levied and paid at the rate of two shillings and one penny farthing the gallon in lieu of the rate specified in paragraph (*b*) of subsection (2) of section 6 of the Act of 1952.

Hydrocarbon oil.

11.—(1) In this section "the Act of 1935" means the Finance Act, 1935 (No. 28 of 1935).

(2) As on and from the 11th day of May, 1956, the rate of any rebate allowed under subsection (2) of section 21 of the Act of 1935, shall be—

(*a*) as respects the oil commonly known as tractor vaporising oil, one shilling and eight pence the gallon; and

(*b*) as respects any other hydrocarbon oil, one shilling and seven pence the gallon.

(3) As on and from the 11th day of May, 1956, the rate of any rebate allowed under subsection (4) of section 21 of the Act of 1935, shall be—

(*a*) as respects the oil commonly known as tractor vaporising oil, one shilling and six pence the gallon; and

(*b*) as respects any other hydrocarbon oil, one shilling and five pence the gallon.

Matches.

12.—(1) In lieu of the duty of customs imposed by section 4 of the Finance Act, 1945 (No. 20 of 1945), there shall be charged, levied and paid as on and from the 9th day of May, 1956, on all imported matches a duty of customs at the several rates specified in *Part I* of the *Second Schedule* to this Act.

(2) In lieu of the duty of excise imposed by section 4 of the Finance Act, 1945 (No. 20 of 1945), as amended by section 15 of the Finance Act, 1954 (No. 22 of 1954), there shall be charged, levied and paid as on and from the 9th day of May, 1956, on all matches made in the State a duty of excise at the several rates specified in *Part II* of the *Second Schedule* to this Act.

Bets.

13.—The duty on bets imposed by section 24 of the Finance Act, 1926 (No. 35 of 1926), shall (subject and without prejudice to the provisions of section 20 of the Finance Act, 1931 (No. 31 of 1931)) be charged, levied and paid on bets entered into on or after the 1st day of July, 1956, at the rate of ten per cent. of the amount of the bet in lieu of the rate of seven and one-half per cent. mentioned in section 18 of the Finance Act, 1941 (No. 14 of 1941).

Table waters.

14.—(1) The duties of customs on table waters imposed by section 7 of the Finance Act, 1916, shall on and after the 9th day of May, 1956, be charged, levied and paid at the rate of one shilling and four pence per gallon in lieu of the rates provided for by the said section 7, section 11 of the said Act and section 17 of the Finance Act, 1924 (No. 27 of 1924).

(2) The duties of excise on table waters imposed by section 4 of the Finance (New Duties) Act, 1916, shall on and after the 9th day of May, 1956, be charged, levied and paid at the rate of one shilling per gallon in lieu of the rates provided for by the said section 4 and section 11 of the Finance Act, 1916.

Entertainments duty—ball or dance.

15.—(1) In this section "entertainments duty" means the excise duty referred to by that name in and chargeable under section 1 of the Finance (New Duties) Act, 1916, as amended by subsequent enactments, and "the census of population" and "town" have the same meanings respectively as they have in section 16 of the Finance Act, 1954 (No. 22 of 1954).

(2) As on and from the 1st day of August, 1956, section 1 of the Finance (New Duties) Act, 1916, shall be construed and have effect as if the word "entertainment" as defined in that section included any ball or dance, and entertainments duty shall, on and from the

said date, be charged, levied and paid on all payments for admission to any ball or dance whether the admission is for the purpose of dancing or taking part in such ball or dance or as a spectator thereof and shall be charged, levied and paid as aforesaid at the following rates:—

(i) as respects any ball or dance held in a place not situated in or within three miles of—

(*a*) a county or other borough, or

(*b*) an urban district, or

(*c*) a town,

having, in any such case, according to the census of population, a population exceeding two thousand:

Where the payment for admission, excluding duty—

										Rate of Duty s. d.
exceeds	4d.	and	does	not	exceed	9d.	...	...		1
,,	9d.	,,	,,	,,	,,	1s. 1½d.	...	...		1½
,,	1s. 1½d.	,,	,,	,,	,,	1s. 10d.	...			2
,,	1s. 10d.	,,	,,	,,	,,	2s. 3d.		...		3
,,	2s. 3d.	,,	,,	,,	,,	3s. 4½d.	...	...		4½
,,	3s. 4½d.	,,	,,	,,	,,	4s. 6d.	...	...		6
,,	4s. 6d.	...	...	...		...	...	...		6d. for the first 4s. 6d. and 2d. for every additional 1s. or part of 1s.

(ii) in any other case:

Where the payment for admission, excluding duty—

										Rate of Duty s. d.
exceeds	4d.	and	does	not	exceed	6½d.	...	...		1½
,,	6½d.	,,	,,	,,	,,	8d.	...	...		2
,,	8d.	,,	,,	,,	,,	1s. 0d.	...	...		3
,,	1s. 0d.	,,	,,	,,	,,	1s. 8d.	...	...		4
,,	1s. 8d.	,,	,,	,,	,,	2s. 0d.	...	...		6
,,	2s. 0d.	,,	,,	,,	,,	3s. 0d.	...	...		9
,,	3s. 0d.	,,	,,	,,	,,	4s. 0d.	...	...	1	0
,,	4s. 0d.	...	...	...	...	...	...	...		1s. for the first 4s. and 3d. for every additional 1s. or part of 1s.

(3) The provisions of section 16 of the Finance Act, 1954 (No. 22 of 1954) shall apply and have effect in respect of entertainments duty payable in pursuance of this section, subject to the proviso that no repayment shall be made under subsection (3) of the said section 16 in respect of duty paid on payments for admission to any ball or dance.

(4) In the application of the provisions of subsections (4) and (6) of the said section 16 to the entertainments duty payable in pursuance of this section, the references in those subsections to subsection (3) of that section shall be construed as references to *paragraph* (*i*) of *subsection* (*2*) of this section.

(5) Subsection (1) of section 14 of the Finance Act, 1952 (No. 14 of 1952) is hereby repealed as on and from the 1st day of August, 1956.

Entertainments duty—exemption for Irish language film shows.

16.—(1) In this section "entertainments duty" means the excise duty referred to by that name in and chargeable under section 1 of the Finance (New Duties) Act, 1916, as amended by subsequent enactments.

(2) Entertainments duty shall not be charged or levied on payments for admission to any entertainment which is shown to the satisfaction of the Revenue Commissioners to consist wholly of moving pictures produced by means of a cinematograph film which either—

(*a*) has a continuous sound track from which is produced speech in the Irish language, or

(*b*) has a continuous accompaniment consisting of synchronised speech in the Irish language which is mechanically produced and corresponds to the scenes depicted in the film.

Gaming licences.

17.—There shall be charged, levied and paid for and upon every gaming licence issued under section 19 of the Gaming and Lotteries Act, 1956 (No. 2 of 1956), an excise duty at the following rates, that is to say:—

where the period for which the licence is to be issued, as specified in the certificate under the said Act authorising the issue of the licence—

(*a*) does not exceed three months, ten pounds;

(*b*) exceeds three months but does not exceed six months, twenty pounds;

(*c*) exceeds six months but does not exceed nine months, thirty pounds;

(*d*) exceeds nine months, forty pounds.

Amendment of section 19 (3) of Finance Act, 1933.

18.—Subsection (3) of section 19 of the Finance Act, 1933 (No. 15 of 1933), is hereby amended, as respects entertainments held on or after the 1st day of November, 1956, by the deletion of " and " at the end of paragraph (*c*) and the deletion of paragraph (*d*).

Termination of customs duty on fillers and flats for egg-boxes.

19.—The duty of customs on fillers and flats for egg-boxes imported separately imposed by section 1 of the Finance (Customs Duties) (No. 4) Act, 1932 (No. 34 of 1932), and mentioned at reference number 9 in the First Schedule thereto shall not be charged or levied on any articles imported on or after the 1st day of September, 1956.

Confirmation of Orders.

20.—The Emergency Imposition of Duties (No. 370) (Special Import Levy) Order, 1956 (S.I. No. 45 of 1956), and the Emergency Imposition of Duties (No. 379) (Special Import Levy) (Amendment) Order, 1956 (S.I. No. 132 of 1956), are hereby confirmed.

PART III.

Death Duties.

Relief from estate duty—certain stocks, shares or securities.

21.—(1) Where section 7 of the Finance Act, 1932 (No. 20 of 1932), applies to any stocks, shares or securities, whether issued before or after the passing of this Act, then, so long as that section applies to the stocks, shares or securities, this section shall also apply to them.

(2) Where the property passing on the death, occurring on or after the day of the passing of this Act, of any person dying domiciled in the State includes any stocks, shares or securities to which this section applies when the property passes, the value of the stocks, shares or securities for the purpose of assessment of estate duty shall be deemed to be two-thirds of their value as estimated in accordance with the provisions of subsection (5) of section 7 of the Finance Act, 1894.

(3) The relief from estate duty provided for by this section shall be granted in connection with the death of a person only if it is shown to the satisfaction of the Revenue Commissioners that the deceased person had been beneficially entitled to the stocks, shares or securities continuously from the date of the original issue thereof up to the day of his death or continuously for a period of not less than three years immediately preceding the day of his death.

(4) Where, in a case in which relief under this section may be given, the stocks, shares or securities are subject to any debt, charge, lien or incumbrance which is allowable as a deduction from the value thereof for the purpose of estate duty, the amount of the deduction in respect of the debt, charge, lien or incumbrance shall be determined as if the value of the stocks, shares or securities was not reduced in accordance with the provisions of *subsection* (*2*) of this section.

PART IV.

Corporation Profits Tax.

Continuance of certain exemptions from corporation profits tax.

22.—The exemptions from corporation profits tax specified in subsection (1) of section 33 of the Finance Act, 1929 (No. 32 of 1929), as amended by section 30 of the Finance Act, 1931 (No. 31 of 1931), paragraph (*b*) of subsection (1) of section 47 of the Finance Act, 1932 (No. 20 of 1932), and subsection (2) of section 11 of the Finance Act, 1950 (No. 18 of 1950), shall be given in respect of the period beginning on the 1st day of January, 1956, and ending on the 31st day of December, 1958.

PART V.

Initial Allowances: Income Tax, Sur-tax and Corporation Profits Tax.

Initial allowances.

23.—(1) Where, on or after the 6th day of April, 1956, a person carrying on a trade the profits or gains of which are (otherwise than consequent upon an election under Rule 5 of the Rules applicable to Schedule B of the Income Tax Act, 1918) chargeable under Case I of Schedule D of the Income Tax Act, 1918, incurs capital expenditure on the provision, for the purposes of the trade, of new machinery or new plant, other than vehicles suitable for the conveyance by road of persons or goods or the haulage by road of other vehicles, there shall be made to him, for the year of assessment in the basis period for which the expenditure is incurred, an allowance (in this Part of this Act referred to as an initial allowance) equal to one-fifth of the expenditure, and such allowance shall be made as a deduction in charging the profits or gains of the trade.

(2) Any expenditure incurred on or after the 6th day of April, 1956, for the purposes of a trade by a person about to carry it on shall be treated for the purposes of *subsection* (*1*) of this section as if it had been incurred by that person on the first day on which he does carry it on.

(3) For the purpose of this section capital expenditure shall not include any expenditure which is allowed to be deducted in computing, for the purposes of income tax, the profits or gains of a trade carried on by the person incurring the expenditure.

(4) For the purposes of this Part of this Act, the day on which any expenditure is incurred shall be taken to be the day when the sum in question becomes payable.

(5) Any claim by a person for an allowance under this section in charging the profits or gains of his trade shall be included in the annual statement required to be delivered under the Income Tax Acts of the profits or gains thereof and shall be accompanied by a certificate signed by the claimant, which shall be deemed to form part of the claim, stating that the expenditure was incurred on new machinery or new plant and giving such particulars as show that the allowance falls to be made.

(6) In this section, " new " means unused and not secondhand, provided that a ship shall be deemed to be new even if it has been used or is secondhand.

Amendment of allowances under Rules 6 and 7 of Rules applicable to Cases I and II of Schedule D.

24.—(1) Where, in charging the profits or gains of a trade, a deduction is to be allowed to any person under paragraph (1) of Rule 6 of the Rules applicable to Cases I and II of Schedule D of the Income Tax Act, 1918, as representing the diminished value by reason of wear and tear during the year of assessment of any machinery or plant, the value at the commencement of the year of such machinery or plant shall be taken to be the actual cost to that person of such machinery or plant reduced by the total of any deductions allowed under the said Rule 6 and any initial allowances made under this Part of this Act for previous years of assessment.

(2) Paragraph (2) of Rule 6 of the Rules applicable to Cases I and II of Schedule D of the Income Tax Act, 1918, as amended by section 2 of the Finance Act, 1944 (No. 18 of 1944), paragraphs (3) and (5) of the said Rule 6, Rule 7 of the said Rules and section 4 of the Finance Act, 1937 (No. 18 of 1937), shall apply in relation to an initial allowance as they apply in relation to deductions allowable in respect of wear and tear of machinery or plant.

(3) In paragraph (6) of Rule 6 of the Rules applicable to Cases I and II of Schedule D of the Income Tax Act, 1918, the expression " the deductions allowed on that account for any previous years to the person by whom the trade is carried on ", and the expression " the deductions " where that expression occurs before the word " exceed ", shall each be construed as including a reference to any initial allowance made, in relation to the machinery or plant, to the person by whom the trade is carried on.

Meaning of " basis period ".

25.—(1) In this Part of this Act, " basis period " has the meaning assigned to it by the following provisions of this section.

(2) In the case of a person to whom an allowance falls to be made under this Part of this Act, his basis period for any year of assessment shall be the period on the profits or gains of which income tax for that year falls to be finally computed under Case I of Schedule D of the Income Tax Act, 1918, in respect of the trade in question or, where, by virtue of any Act, the profits or gains of any other period are to be taken to be the profits or gains of the said period, that other period:

Provided that, in the case of any trade—

(*a*) where two basis periods overlap, the period common to both shall be deemed for the purposes of this subsection to fall in the first basis period only;

(*b*) where there is an interval between the end of the basis period for one year of assessment and the basis period for the next year of assessment, then, unless the second-mentioned year of assessment is the year of the permanent discontinuance of the trade, the interval shall be deemed to be part of the second basis period; and

(*c*) where there is an interval between the end of the basis period for the year of assessment preceding that in which the trade is permanently discontinued and the basis period for the year in which it is permanently discontinued, the interval shall be deemed to form part of the first basis period.

(3) (*a*) Any reference in the proviso to *subsection* (*2*) of this section to the permanent discontinuance of a trade shall be construed as including a reference to the occur-

ring of any event which, under any of the provisions of the Income Tax Acts, is to be treated as equivalent to the permanent discontinuance of a trade.

(*b*) Any reference in the said proviso to the overlapping of two periods shall be construed as including a reference to the coincidence of two periods or to the inclusion of one period in another, and references to the period common to both of two periods shall be construed accordingly.

Application to professions, etc.

26.—The preceding provisions of this Part of this Act shall, with any necessary adaptations, apply in relation to capital expenditure incurred on or after the 6th day of April, 1956, by a person assessable under Rule 8 of the Rules applicable to Schedule B of the Income Tax Act, 1918, or under Case II of Schedule D of that Act.

Initial allowances in relation to corporation profits tax.

27.—Where this Part of this Act provides for an initial allowance to be made to a company for the purposes of income tax, in respect of any expenditure, the amount of the allowance shall be deducted in computing the profits of that company for the purposes of corporation profits tax for the accounting period in which the expenditure is incurred.

Construction of this Part of this Act.

28.—This Part of this Act shall, so far as it relates to income tax (including sur-tax), be read and construed together with the Income Tax Acts and shall, so far as it relates to corporation profits tax, be read and construed together with Part V of the Finance Act, 1920, as amended or extended by subsequent enactments.

PART VI.

Stamp Duties.

Stamp duty to be levied on the Racing Board.

29.—(1) In this section " the Board " means the Racing Board.

(2) There shall be levied on the Board in respect of the year ending on the 31st day of March, 1957, a stamp duty of £140,000, which shall be paid by the Board to the Revenue Commissioners on or before the 15th day of March, 1957.

(3) Upon payment of the duty, the Revenue Commissioners shall certify that the Board has complied with this section, and the certificate shall be stamped with the amount of the duty paid and shall be issued to the Board.

(4) If the Board fails to comply with this section, the amount of the duty unpaid, together with interest thereon at the rate of 5 per cent. per annum from the 16th day of March, 1957, to the day on which the duty is paid, shall be a debt due from the Board to the Minister for Finance for the benefit of the Central Fund and shall be recoverable at the suit of the Attorney General in any court of competent jurisdiction.

Amendment of section 13 of Finance (No.2) Act, 1947.

30.—(1) Section 13 of the Finance (No. 2) Act, 1947 (No. 33 of 1947), as amended by subsequent enactments, shall have effect—

(*a*) as if the following words were contained therein at the end of and as part of subsection (4):

" or, alternatively certifying—

(A) that the property being conveyed or transferred is property which is being acquired for private residential purposes and does not include land exceeding five acres in extent, or

(B) that the property being conveyed or transferred is property which is being acquired exclusively for the purposes of an industry other than agriculture "; and

(*b*) as if the following words were contained therein at the end of and as part of paragraph (*a*) of subsection (7): " or unless the property conveyed or transferred is within paragraph (A) or paragraph (B) of that subsection ".

(2) Section 26 of the Finance Act, 1949 (No. 13 of 1949), shall not have effect in relation to any property which at the date of the relevant conveyance or transfer was within one of the descriptions set out in *paragraph* (*a*) of *subsection* (*1*) of this section.

Amendment of section 24 of Finance Act, 1949.

31.—(1) Section 24 of the Finance Act, 1949 (No. 13 of 1949), as amended by subsequent enactments, shall have effect—

(*a*) as if the following words were contained therein at the end of and as part of subsection (4):

" or, alternatively certifying—

(A) that the lessee's interest under the lease is being acquired for private residential purposes and does not include an interest in land exceeding five acres in extent, or

(B) that the lessee's interest under the lease is being acquired exclusively for the purposes of an industry other than agriculture "; and

(*b*) as if the following words were contained therein at the end of and as part of paragraph (*a*) of subsection (7): " or unless the lessee's interest under the lease is within paragraph (A) or paragraph (B) of that subsection ".

(2) Subsection (2) of section 16 of the Finance Act, 1950 (No. 18 of 1950), shall have effect as if the reference therein to a statement by the lessee included a reference to a statement under subsection (4) of section 24 of the Finance Act, 1949, as amended by *subsection (1)* of this section.

PART VII.

Miscellaneous and General.

Transfer from Road Fund to Capital Fund.

32.—The sum of £500,000 shall be transferred and paid from the Road Fund to the Capital Fund at such time or times in the financial year ending on the 31st day of March, 1957, and in such manner as the Minister for Finance shall direct.

Capital Services Redemption Account.

33.—(1) In this section—

" the principal section " means section 22 of the Finance Act, 1950 (No. 18 of 1950);

" the 1955 amending section " means section 18 of the Finance Act, 1955 (No. 13 of 1955);

" the sixth additional annuity " means the sum charged on the Central Fund under *subsection* (*4*) of this section;

" the Minister ", " the Account " and " capital services " have the same meanings respectively as they have in the principal section.

(2) Subsection (4) of the 1955 amending section shall, in relation to the twenty-nine successive financial years commencing with the financial year ending on the 31st day of March, 1957, have effect with the substitution of " £763,950 " for " £688,618 ".

(3) Subsection (6) of the 1955 amending section shall have effect with the substitution of " £484,650 " for " £445,446 ".

(4) A sum of £667,560 to redeem borrowings, and interest thereon, in respect of capital services shall be charged annually on the Central Fund or the growing produce thereof in the thirty successive financial years commencing with the financial year ending on the 31st day of March, 1957.

(5) The sixth additional annuity shall be paid into the Account in such manner and at such times in the relevant financial year as the Minister may determine.

(6) Any amount of the sixth additional annuity, not exceeding £464,100 in any financial year, may be applied towards defraying the interest on the public debt.

(7) The balance of the sixth additional annuity shall be applied in any one or more of the ways specified in subsection (6) of the principal section.

Exemption from taxation—certain stocks or other securities.

34.—(1) This section applies to any stock or other security on which interest is payable without deduction of income tax by virtue of a direction given by the Minister for Finance in pursuance of section 12 of the Finance Act, 1954 (No. 22 of 1954), or of section 5 of the Finance Act, 1955 (No. 13 of 1955).

(2) Any stock or other security to which this section applies may be issued with either or both of the following conditions:

(*a*) that neither the capital of nor the interest on the stock or other security shall be liable to any taxation in the State so long as it is shown in the manner directed by the Minister for Finance that the stock or other security is in the beneficial ownership of persons who are neither domiciled nor ordinarily resident in the State,

(*b*) that the interest on the stock or other security shall not be liable to income tax so long as it is shown in the manner directed by the Minister for Finance that the stock or other security is in the beneficial ownership of persons who, though domiciled in the State, are not ordinarily resident therein,

and, as respects every such stock or other security issued as aforesaid, exemption from taxation shall be granted accordingly.

(3) An exemption conferred by this section, so far as relates to duties leviable on or with reference to a death, is to be taken to be such as to operate by reference to persons beneficially owning the stocks or other securities immediately before, not after, the death.

(4) *Subsections* (*1*), (*2*) and (*3*) of this section shall be deemed to have come into operation on the 6th day of April, 1955.

Amendment of section 8 of Superannuation Act, 1887.

35.—Section 8 of the Superannuation Act, 1887 (which relates to distribution in certain cases of sums not exceeding one hundred pounds without probate) is hereby amended by the substitution of " five hundred pounds " for " one hundred pounds ".

Care and management of taxes and duties.

36.—All taxes and duties imposed by this Act are hereby placed under the care and management of the Revenue Commissioners.

Short title, construction and commencement.

37.—(1) This Act may be cited as the Finance Act, 1956.

(2) *Part I* of this Act shall be construed together with the Income Tax Acts.

(3) *Part II* of this Act, so far as it relates to duties of customs, shall be construed together with the Customs Acts and, so far as it relates to duties of excise, shall be construed together with the Statutes which relate to the duties of excise and the management of those duties.

(4) *Part VI* of this Act shall be construed together with the Stamp Act, 1891, and the enactments amending or extending that Act.

(5) *Part I* of this Act shall be deemed to come into force on and shall take effect as on and from the 6th day of April, 1956.

Section 8.

FIRST SCHEDULE.

Duties on Tobacco.

Part I.

Customs.

	£ s. d.
Unmanufactured :—	
If Stripped or Stemmed :—	
Containing 10 lbs. or more of moisture in every 100 lbs. weight thereof ... ... the lb.	2 2 9½
Containing less than 10 lbs. of moisture in every 100 lbs. weight thereof ... ... ,, ,,	2 7 6½
If Unstripped or Unstemmed :—	
Containing 10 lbs. or more of moisture in every 100 lbs. weight thereof ... ... ,, ,,	2 2 9
Containing less than 10 lbs. of moisture in every 100 lbs. weight thereof ... ... ,, ,,	2 7 6

	Full	Preferential
	£ s. d.	£ s. d.
Manufactured :—		
Cigars ... ... the lb.	2 15 0	2 5 10
Cigarettes ... ... ,, ,,	2 13 0	2 4 2
Cavendish or Negrohead ... ... ,, ,,	2 14 6	2 5 5
Cavendish or Negrohead Manufactured in bond ... ... ,, ,,	2 14 0	2 5 0
Other Manufactured Tobacco ... ,, ,,	2 12 6	2 3 9
Snuff containing more than 13 lbs. of moisture in every 100 lbs. weight thereof ... ... ,, ,,	2 12 0	2 3 4
Snuff not containing more than 13 lbs. of moisture in every 100 lbs. weight thereof ... ... ,, ,,	2 14 6	2 5 5

Part II.

Excise.

	£ s. d.
Unmanufactured :—	
Containing 10 lbs. or more of moisture in every 100 lbs. weight thereof ... ... the lb.	2 1 8
Containing less than 10 lbs. of moisture in every 100 lbs. weight thereof ... ... ,, ,,	2 6 4
Manufactured :—	
Cavendish or Negrohead Manufactured in Bond ... ,, ,,	2 3 8

Part III.

Preferential Rates of Customs Duties on Unmanufactured Tobacco.

	£ s. d.
Unmanufactured :—	
If Stripped or Stemmed :—	
Containing 10 lbs. or more of moisture in every 100 lbs. weight thereof ... ... the lb.	2 1 3
Containing less than 10 lbs. of moisture in every 100 lbs. weight thereof ... ... ,, ,,	2 5 10
If Unstripped or Unstemmed :—	
Containing 10 lbs. or more of moisture in every 100 lbs. weight thereof ... ... ,, ,,	2 1 2½
Containing less than 10 lbs. of moisture in every 100 lbs. weight thereof ... ... ,, ,,	2 5 9½

SECOND SCHEDULE.

Section 12.

Duties on Matches.

Part I.

Customs.

	£ s. d.
(*a*) on all wooden matches in boxes or other containers—	
Containing not more than 10 matches. Per 1,000 containers	16 4
Containing more than 10 but not more than 20 matches. Per 1,000 containers	1 12 8
Containing more than 20 but not more than 50 matches. Per gross (144) containers	11 10
Containing more than 50 but not more than 75 matches. Per gross (144) containers	17 9
For every additional 25 or part of 25 matches over 75. Per gross (144) containers	4 2
and so in proportion for any less quantity of containers.	
(*b*) on all other matches in boxes or other containers—	
Containing not more than 20 matches. Per 1,000 containers	3 5 4
Containing more than 20 but not more than 50 matches. Per gross (144) containers	1 3 8
Containing more than 50 but not more than 75 matches. Per gross (144) containers	1 15 6
For every additional 25 or part of 25 matches over 75. Per gross (144) containers	8 4
and so in proportion for any less quantity of containers.	

Part II.

Excise.

Boxes or other containers—	£ s. d.
Containing not more than 10 matches. Per 1,000 containers	14 0
Containing more than 10 but not more than 20 matches. Per 1,000 containers	1 8 0
Containing more than 20 but not more than 50 matches. Per gross (144) containers	10 3
Containing more than 50 but not more than 75 matches. Per gross (144) containers	15 5
For every additional 25 or part of 25 matches over 75. Per gross (144) containers	3 7
and so in proportion for any less quantity of containers.	

AN BILLE AIRGEADAIS, 1956.

BILLE

dá ngairmtear

Acht do mhuirearú agus d'fhorchur dleacht áirithe Custam agus Ioncaim Intíre (lena n-áirítear Mál), do leasú an dlí a bhaineas le Custaim agus Ioncam Intíre (lena n-áirítear Mál), agus do dhéanamh tuilleadh forál i dtaobh Airgeadais.

An tAire Airgeadais a thug isteach.

Rite ag Dáil Éireann, 26 *Meitheamh,* 1956.

BAILE ÁTHA CLIATH:
ARNA FHOILISIÚ AG OIFIG AN tSOLÁTHAIR

Le ceannach díreach ón Oifig Díolta Foilseachán Rialtais A Stuara, Árd Oifig an Phoist, Baile Átha Cliath, nó trí aon díoltóir leabhar.

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Wt. 13246/C/6. —. 725. 6/56. C.&Co. (3941). G. 16.

FINANCE BILL, 1956.

BILL

entitled

An Act to charge and impose certain duties of Customs and Inland Revenue (including Excise), to amend the law relating to Customs and Inland Revenue (including Excise) and to make further provisions in connection with Finance.

Introduced by the Minister for Finance.

Passed by Dáil Éireann, 26*th June,* 1956.

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