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**AN BILLE AIRGEADAIS (Uimh. 2), 1966**  
**FINANCE (No. 2) BILL, 1966**

**EXPLANATORY MEMORANDUM**

*Section 1* contains definitions.

*Section 2* imposes a tax, called wholesale tax, to take effect from the 1st October, 1966, on receipts from sales of goods and on imports.

*Section 3*

- (a) provides, in effect, that the persons accountable for and liable to pay wholesale tax shall be
  - (i) persons, other than manufacturers, whose wholesale sales of taxable goods exceed £500 a month in value;
  - (ii) manufacturers whose monthly receipts from sales of taxable goods exceed £150; and
  - (iii) retailers whose purchases of taxable goods are made on a similar scale to those of wholesalers;
- (b) provides that a manufacturer of exempt goods who uses taxable goods in substantial quantities as materials may be regarded as an accountable person to enable him to purchase all his materials free of tax; and
- (c) exempts from wholesale tax
  - (i) sales which are already exempt from the existing Turnover Tax;
  - (ii) sales which may be exempted by order of the Minister for Finance; and
  - (iii) sales of food, drink, tobacco, medicines, clothing, fuel and hydrocarbon oils, subject to such definitions of these commodities as the Minister for Finance may make by order.

*Section 4* provides for the registration of accountable persons by the Revenue Commissioners.

*Section 5* enables registered persons to purchase their supplies free of tax.

*Section 6* provides that a registered person shall be accountable for tax on taxable goods which he has purchased or imported tax-free and has subsequently used otherwise than as materials for further manufacture or as stock in trade.

*Section 7* prescribes the rate of tax (5 per cent), the basis of charge, and the time of payment. In the case of an accountable person who is a retailer the liability for wholesale tax may be based on the current wholesale price.



*Section 8* empowers the Revenue Commissioners to make estimates of the taxable turnover where they consider that the moneys received by an accountable person for goods sold do not represent the open market value of the goods. Any estimates made under this section will be subject to appeal to the Special Commissioners of Income Tax and to the Courts.

*Section 9* provides that an accountable person who supplies taxable goods at prices which were fixed by contract before the introduction of the wholesale tax may add to the contract price the amount of tax payable by him in respect of such goods.

*Section 10* applies to wholesale tax the provisions of the statutes and regulations which apply to the existing Turnover Tax, with the exception of the provisions regarding accountability, registration, and the rate of tax, for which there is separate provision in this Bill. It empowers the Revenue Commissioners to make regulations concerning certain additional procedures required in relation to wholesale tax.

*Section 11* applies to imports a tax corresponding to the wholesale tax on transactions within the State.

*Sections 12 and 13* are self-explanatory.

*An Roinn Airgeadais,  
Meitheamh, 1966.*