



AN BILLE AIRGEADAIS, 1971 FINANCE BILL, 1971

*Mar a meastar a bheith rite ag dhá Theach an Oireachtais
As deemed to have been passed by both Houses of the Oireachtas*

ARRANGEMENT OF SECTIONS

PART I

INCOME TAX

Section

1. Income tax and sur-tax for the year 1971-72.
2. Cesser of section 2 of Finance Act, 1970.
3. Amendment of section 58 of Income Tax Act, 1967.
4. Charge of tax on sums applied outside the State in repaying certain loans.
5. Allowance of cost of registration of trade marks as a deduction.
6. Amendment of section 134 of Income Tax Act, 1967.
7. Amendment of section 135 of Income Tax Act, 1967.
8. Amendment of section 136 of Income Tax Act, 1967.
9. Amendment of section 139 of Income Tax Act, 1967.
10. Amendment of section 142 of Income Tax Act, 1967.
11. Relief for blind persons.
12. Amendment of section 224 of Income Tax Act, 1967.
13. Amendment of section 251 of Income Tax Act, 1967.
14. Amendment of section 254 of Income Tax Act, 1967.
15. Amendment of section 336 of Income Tax Act, 1967.
16. Amendment of sections 443 and 444 of Income Tax Act, 1967.
17. Amendment of section 550 of Income Tax Act, 1967.
18. Amendment of section 419 of Income Tax Act, 1967.
19. Amendment of sections 428 and 429 of Income Tax Act, 1967.
20. Interest on income tax and sur-tax in cases of fraud or neglect.
21. Amendment of section 17 of Finance Act, 1970.
22. Investment allowance for machinery and plant in designated areas.
23. "Basis period".
24. Provision relating to wear and tear.
25. Withdrawal of investment allowance.
26. Increase of wear and tear allowances for certain machinery and plant.

PART II

CUSTOMS AND EXCISE

Section.

27. Beer.
28. Spirits.
29. Customs control of persons entering the State.

PART III

DEATH DUTIES

30. "Death duties".
31. Alteration of rates of estate duty.
32. Interest on death duties.
33. Amendment of section 8 of Finance Act, 1894.
34. Amendment of section 28 of Finance Act, 1931.
35. Amendment of section 28 of Finance Act, 1961.
36. Amendment of section 20 of Finance Act, 1965.
37. Amendment of section 22 of Finance Act, 1965.
38. Cesser of section 27 (4) of Finance Act, 1965.
39. Abatement of estate duty.
40. Removal of restriction on value of agricultural property in certain cases.
41. Restriction of exemption from duty of marriage gifts.
42. Penalties.

PART IV

STAMP DUTIES

43. Amendment of Stamp Act, 1891.
44. Exemption from stamp duty on certain bills of exchange.

PART V

CORPORATION PROFITS TAX

45. Continuance of certain exemptions from corporation profits tax.
46. Amendment of section 69 of Finance Act, 1959.
47. Amendment of section 14 of Finance Act, 1962.
48. Amendment of section 31 of Finance Act, 1964.
49. Payment of tax notwithstanding application for rehearing of appeal by Circuit Court.
50. Interest on corporation profits tax in cases of fraud or neglect.

PART VI
MISCELLANEOUS

Section.

51. Capital Services Redemption Account.
52. Excise duties on registration of firearms dealers.
53. Repeals.
54. Care and management of taxes and duties.
55. Short title, construction and commencement.

FIRST SCHEDULE

SPIRITS (RATES OF ORDINARY CUSTOMS DUTY)

SECOND SCHEDULE

SCALE OF RATES OF ESTATE DUTY.

THIRD SCHEDULE

ENACTMENTS REPEALED.



AN BILL AIRGEADAIS, 1971
FINANCE BILL, 1971

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 1971-72.

1.—(1) Income tax shall be charged for the year beginning on the
6th day of April, 1971, at the rate of 35 per cent.

(2) Sur-tax for the year beginning on the 6th day of April, 1971,
shall be charged in respect of the income of any individual the total
of which from all sources exceeds the aggregate of—

(a) £2,500, and

(b) the amount of any deductions to which the individual is
entitled for that year under section 523 of the Income
Tax Act, 1967,

1967, No. 6.

and shall be so charged in respect of the excess at the following
rates, that is to say :

for every pound of the first £2,000	25
of the excess	15 per cent.
for every pound of the next £2,000	
of the excess	30 per cent.
for every pound of the remainder	
of the excess	45 per cent. 30

Cesser of section
2 of Finance Act,
1970.

1970, No. 14.

2.—Section 2 of the Finance Act, 1970, shall not apply or have
effect in relation to the year 1971-72 or any subsequent year of
assessment.

Amendment of
section 58 of
Income Tax Act,
1967.

3.—In relation to a trade or profession which is permanently dis-
continued in the year 1972-73 or any subsequent year of assessment, 35
section 58 of the Income Tax Act, 1967, shall have effect as if the

following subparagraphs were substituted for subparagraph (ii) of subsection (5) (a) of the said section 58 :

5 “(ii) if the aggregate of the profits or gains (if any) of
the years ending on the 5th day of April in each of
the two years preceding the year of assessment in
which the discontinuance occurs exceeds the aggregate
of the amounts on which the person has been charged
for each of the said two preceding years, or the
10 aggregate of the amounts on which he would have
been so charged if no such deduction or set-off as
aforesaid had been allowed, he shall be charged
instead, for each of the two said preceding years, but
subject to any such deduction or set-off, on the
15 amount of the profits or gains of the year ending
on the 5th day of April in that year;

20 (iii) where a person has been charged with tax otherwise
than in accordance with subparagraph (ii), any tax
overpaid shall be repaid, or an additional assess-
ment may be made upon him, as the case may
require.”.

4.—(1) For the purposes of section 76 (3) of the Income Tax Act, 1967, any income arising from securities and possessions in any place outside the State which is applied outside the State by a person ordinarily resident in the State in or towards satisfaction of—

Charge of tax on
sums applied outside
the State in
repaying certain
loans.

25 (a) any debt for money lent to him in the State or for interest
on money so lent, or

(b) any debt for money lent to him outside the State and
received in or brought to the State, or

30 (c) any debt incurred for satisfying in whole or in part a debt
falling within paragraph (a) or (b),

shall be treated as received by him in the State and as so received
from remittances payable in the State.

35 (2) Where a person ordinarily resident in the State receives in or
brings to the State money lent to him outside the State, but the debt
for that money is wholly or partly satisfied before he does so, *sub-*
section (1) shall apply as if the money had been received in or brought
to the State before the debt was so satisfied, except that any sums
treated by virtue of that subsection as received in the State shall be
40 treated as so received at the time when the money so lent is actually
received in or brought to the State.

45 (3) Where a person is indebted for money lent to him, income
applied by him in such a way that the money or property representing
the income is held by the lender on behalf of or to the account of the
said person in such circumstances as to be available to the lender for
the purpose of satisfying or reducing the debt by set-off or otherwise
shall be treated as applied by the said person in or towards its
satisfaction if, under any arrangement between the said person and
the lender, the amount for the time being of the said person's
indebtedness to the lender, or the time at which it is to be repaid in
50 whole or in part, depends in any respect directly or indirectly on the
amount or value held by the lender as aforesaid.

(4) For the purposes of this section—

55 (a) a debt for money lent shall, to the extent to which that money
is applied in or towards satisfying another debt, be
deemed to be a debt incurred for satisfying that other
debt, and a debt incurred for satisfying in whole or in

part a debt falling within paragraph (c) of subsection (1) shall itself be treated as falling within that paragraph, and

(b) "lender" includes, in relation to any money lent, any person for the time being entitled to repayment.

(5) This section shall not have effect in relation to income applied 5 in or towards satisfaction of a debt for money lent before the 28th day of April, 1971, or of a debt incurred for satisfying in whole or in part any such debt, unless it is so applied after the end of the year 1971-72.

Allowance of cost of registration of trade marks as a deduction.

5.—Notwithstanding anything in section 61 of the Income Tax 10 Act, 1967, in computing the amount of the profits or gains of any trade, there shall be allowed to be deducted as expenses any fees paid or expenses incurred in obtaining, for the purposes of the trade, the registration of a trade mark or the renewal of registration of a trade mark. 15

Amendment of section 134 of Income Tax Act, 1967.

6.—Section 134 of the Income Tax Act, 1967, is hereby amended—

(a) by the substitution in paragraph (a) of the proviso (inserted by the Finance Act, 1970) of "£250" for "£225", and

(b) by the substitution in paragraph (b) of the said proviso of 20 "£150" for "£125".

Amendment of section 135 of Income Tax Act, 1967.

7.—Section 135 of the Income Tax Act, 1967, is hereby amended—

(a) by the substitution in paragraph (d) of the proviso (inserted by the Finance Act, 1970) to subsection (1) of "£600" for "£500", in both places where it occurs, and of 25 "£150" for "£125"; and

(b) by the substitution in paragraph (e) of the said proviso of "£1,000" for "£900", in both places where it occurs, and of "£250" for "£225", in both places where it occurs.

Amendment of section 136 of Income Tax Act, 1967.

8.—Section 136 of the Income Tax Act, 1967, is hereby amended— 30

(a) by the substitution of "£600" for "£500" (inserted by the Finance Act, 1970) in each place where it occurs, and

(b) by the substitution in the proviso (inserted by the said Finance Act, 1970) to subsection (2) of "£150" for "£125".

Amendment of section 139 of Income Tax Act, 1967.

9.—Section 139 of the Income Tax Act, 1967, is hereby amended 35 by the insertion after subsection (5) (inserted by the Finance Act, 1967) of the following new subsection :

1967, No. 17.

"(6) This section shall also apply to a claimant being an unmarried woman who throughout the year of assessment is in full-time employment or engaged full-time in some trade or 40 profession as it applies to a claimant being a widower, save that "or of his deceased wife" shall be omitted in both places where the expression occurs in subsection (1)."

10.—Section 142 (1) of the Income Tax Act, 1967, is hereby amended by the substitution of “£303” for “£282” in both places where it occurs and by the substitution of “£243” for “£222”. Amendment of section 142 of Income Tax Act, 1967.

5 11.—(1) In this section “blind person” means a person whose central visual acuity does not exceed 6/60 in the better eye with correcting lenses, or whose central visual acuity exceeds 6/60 in the better eye or in both eyes but is accompanied by a limitation in the fields of vision that is such that the widest diameter of the visual field subtends an angle no greater than 20 degrees. Relief for blind persons.

10 (2) Subject to the provisions of this section, an individual who, in the manner prescribed by the Income Tax Acts, makes a claim in that behalf, makes a return in the prescribed form of his total income, and proves—

15 (a) that he is a married man who for the year of assessment has his wife living with him and that one of them was, for the whole or any part of the year, and the other was, at no time during the year, a blind person, or

(b) that, not being such a married man, he was for the whole or any part of the year, a blind person,

20 shall, in computing the amount of his taxable income, be entitled to have a deduction of £100 made from his assessable income.

(3) Subject to the provisions of this section, an individual who, in the manner prescribed by the Income Tax Acts, makes a claim in that behalf, makes a return in the prescribed form of his total income, Amendment of section 142 of Income Tax Act, 1967.
25 and proves—

(a) that he is a married man who for the year of assessment has his wife living with him, and

(b) that each of them was, for the whole or any part of the year, a blind person,

30 shall, in computing the amount of his taxable income, be entitled to have a deduction of £200 made from his assessable income.

(4) All such provisions of the Income Tax Acts as apply in relation to every deduction specified in sections 138 to 143 of the Income Tax Act, 1967, shall apply in relation to a deduction under this section.

35 (5) Section 153 (1) (d) of the Income Tax Act, 1967, is hereby amended by the insertion after “1969,” of “and section 11 of the Finance Act, 1971”.

(6) Section 193 of the Income Tax Act, 1967, is hereby amended by the addition at the end of subsection (6) of “or under section 11 of the Finance Act, 1971”.

(7) Section 497 of the Income Tax Act, 1967, is hereby amended by the insertion after “1969,” of “or under section 11 of the Finance Act, 1971,”.

45 (8) Section 523 of the Income Tax Act, 1967, is hereby amended by the substitution in subsection (1) (a) of “and 142, section 3 of the Finance Act, 1969, and section 11 of the Finance Act, 1971” for “, 142 and section 3 of the Finance Act, 1969”.

12.—Section 224 of the Income Tax Act, 1967, is hereby amended— Amendment of section 224 of Income Tax Act, 1967.

50 (a) by the substitution in subsection (2) of “, retirement pension, old age (contributory) pension and death grant” for “and old age (contributory) pension”,

(b) by the insertion after paragraph (b) of the proviso to subsection (3) of the following paragraph—

- “(bb) no deduction or set-off shall be allowed in respect of so much of any contribution paid by a person whose entry into insurance for the purpose of retirement pension occurred after he had attained the age of fifty-five as was paid in respect of 5 retirement pension;”, and
- (c) by the insertion in subsection (4) before “shall” of “, other than death grant,”.
- Amendment of section 251 of Income Tax Act, 1967, 1968, No. 33. **13.**—Section 251 of the Income Tax Act, 1967, is hereby amended by the substitution in subsection (4) (c) (inserted by the Finance Act, 1968) of “the 1st day of April, 1973” for “the 1st day of April, 1971.” **10**
- Amendment of section 254 of Income Tax Act, 1967. **14.**—Section 254 (2) of the Income Tax Act, 1967, is hereby amended by the substitution of “the 1st day of April, 1973” for “the 1st day of April, 1971” (inserted by the Finance Act, 1968). **15**
- Amendment of section 336 of Income Tax Act, 1967. **15.**—Section 336 of the Income Tax Act, 1967, is hereby amended by the substitution of “£350” for “£250.”
- Amendment of sections 443 and 444 of Income Tax Act, 1967. **16.**—(1) In relation to a payment to which this section applies—
- (a) subsection (1) of section 443 of the Income Tax Act, 1967, is hereby amended— **20**
- (i) by the deletion of “or payable or accumulated”,
- (ii) by the substitution of “at the time of payment” for “at the beginning of such year”, and
- (iii) by the addition of the following proviso:
- “Provided that— **25**
- (a) for the purposes of this Chapter, but subject to section 444, income which, by virtue or in consequence of a settlement to which this Chapter applies, is so dealt with that it, or assets representing it, will or may become payable or applicable to or for the benefit of a child of the settlor in the future (whether on the fulfilment of a condition, or on the happening of a contingency, or as the result of the exercise of a power or discretion conferred on any person, or otherwise) shall be deemed to be paid to or for the benefit of that child, and **30**
- (b) any income dealt with as aforesaid which is not required by the settlement to be allocated, at the time when it is so dealt with, to any particular child or children of the settlor shall be deemed to be paid in equal shares to or for the benefit of each of the children to or for the benefit of whom or any of whom the income or assets representing it will or may become payable or applicable.”; **35**
- (b) subsection (4) of the said section 443 is hereby amended—
- (i) by the deletion of “or payable or accumulated”, and
- (ii) by the deletion in paragraph (a) of “, payable, or accumulated”; **40**
- (c) section 444 of the Income Tax Act, 1967, is hereby amended— **45**
- (i) by the deletion in paragraph (a) of “(being a child who, at the beginning of such year, is under the age of twenty-one years and is unmarried)”, and **50**

(ii) by the substitution in paragraph (b) of "at the time of payment" for "at the beginning of such year".

5 (2) The reference in paragraph (b) of the said section 444 to another sum paid to or for the benefit of a child who, at the beginning of the year of assessment in which it was paid, was under the age of twenty-one years and unmarried, shall be construed, in relation to a payment to which this section applies of any such sum, as a reference to a sum so paid to or for the benefit of a child who at the time of payment was under the age of twenty-one years and unmarried.

10 (3) This section applies to any payment made after the year 1970-71, except a payment made in the year 1971-72, to or for the benefit of a child born after the 6th day of April, 1971, and so made by virtue of or in consequence of a settlement made before the 28th day of April, 1971.

15 17.—(1) In relation to interest chargeable for any month commencing on or after the date of the passing of this Act or any part of such a month on tax due and payable whether before, on or after such date, section 550 (1) of the Income Tax Act, 1967, is hereby amended by the substitution of ".75 per cent." for "one half per cent."

Amendment of section 550 of Income Tax Act, 1967.

(2) (a) Section 550 of the Income Tax Act, 1967, is hereby further amended—

(i) by the addition to subsection (1) of the following proviso :

25 "Provided that any tax charged by any assessment to income tax or to sur-tax shall, notwithstanding any appeal against such assessment, carry interest at the rate of .75 per cent. for each month or part of a month from the date when, if there were
30 no appeal against the assessment, the tax would become due and payable under section 477 or section 522 (2) of the Income Tax Act, 1967, as the case may be, until payment";

35 (ii) by the substitution in subsection (2) of "two months" for "three months"; and

(iii) by the insertion after subsection (2) of the following subsection :

40 "(2A) (a) Where notice of appeal has been given against an assessment and an agreement as to the amount of tax which should be paid notwithstanding the appeal has been reached between the appellant and the inspector or other officer of the Revenue Commissioners concerned under section
45 419 (1) and the amount so agreed has been paid within the period referred to in subsection (2), subsection (1) shall not apply to any balance of tax chargeable in accordance with the determination of the appeal if such balance is paid within two
50 months from the date of determination of the appeal.

55 (b) Where notice of appeal has been given against an assessment and, in the absence of such an agreement as is referred to in paragraph (a), an appellant pays within the period referred to in subsection (2) a sum on account of the tax charged by the assessment under appeal and such sum is
60 not less than 80 per cent. of the amount of tax found to be chargeable by the assessment on the determination of the

appeal, subsection (1) shall not apply to any balance of tax chargeable in accordance with the determination if such balance is paid within two months from the date of the determination of the 5 appeal.

- (c) In this subsection 'determination of the appeal' means a determination by the Appeal Commissioners under section 416 (4) and includes an agreement referred to 10 in section 416 (3) and an assessment becoming final and conclusive by virtue of section 416 (6)."

- (b) Paragraph (a) of this subsection shall not apply in relation to assessments to income tax or sur-tax charged by any 15 assessment made before the date of the passing of this Act.

(3) Sections 418 and 529 of the Income Tax Act, 1967, shall not apply in relation to assessments to income tax or sur-tax, as the case may be, made on or after the date of the passing of this Act. 20

Amendment of section 419 of Income Tax Act, 1967.

18.—In relation to assessments made on or after the date of the passing of this Act, section 419 of the Income Tax Act, 1967, is hereby amended—

- (a) by the insertion in subsection (1) after "repaid" of "with interest at the rate provided by section 550 (1) from the 25 date or dates of payment of the amount or amounts giving rise to the overpayment to the date on which the repayment is made", and

- (b) by the addition to subsection (1) of the following proviso :

"Provided that— 30

- (a) interest shall not be payable under this subsection if it amounts to less than £1, and
(b) income tax shall not be deductible on payment of interest under this section and such interest shall not be reckoned in computing income for the 35 purposes of the Income Tax Acts." and,

- (c) by the insertion after subsection (1) of the following subsection:

"(1A) Where, in a case in which notice of appeal has been given against an assessment to income tax or sur-tax and in which there is no agreement of the kind referred to in subsection (1), the appellant pays an amount of tax on account of the tax charged by the assessment under appeal which is in excess of the tax found to be chargeable by the assessment on the determination of the 45 appeal, the provisions of subsection (1) shall apply as if the overpayment of tax had arisen by reason of a payment made in accordance with an agreement of the kind aforesaid." 48

Amendment of sections 428 and 429 of Income Tax Act, 1967.

19.—(1) Section 429 of the Income Tax Act, 1967, is hereby 50 amended by the insertion after subsection (3) of the following subsections:

- "(4) Notwithstanding that, in the case of an assessment made upon a person on or after the date of the passing of the Finance Act, 1971, the person has, pursuant to subsection (1), required 55 his appeal to the Appeal Commissioners against the assessment to be reheard by a judge of the Circuit Court, tax shall be paid in accordance with the determination of the Appeal Commissioners:

Provided that if the amount of the assessment is altered by the determination of the judge, then—

5 (a) if too much tax has been paid, the amount or amounts overpaid shall, save where the interest amounts to less than £1, be repaid with interest at the rate provided by section 550 (1) from the date or dates of payment of the amount or amounts giving rise to the overpayment to the date on which the repayment is made; or

10 (b) if too little tax has been paid, any balance shall be payable but the provisions of section 550 (2A) shall apply as if the appeal were an appeal to the Appeal Commissioners and the determination of the appeal by the judge were a determination of the appeal by the Appeal Commissioners.

15 (5) Income tax shall not be deductible on payment of such interest as is referred to in subsection (4) (a) and such interest shall not be reckoned in computing income for the purposes of the Income Tax Acts.”.

(2) Section 428 (9) of the Income Tax Act, 1967, is hereby amended by the deletion of “or the Circuit Court as the case may be”.

20 **20.**—(1) In this section “neglect” has the same meaning as in section 186 (2) (d) of the Income Tax Act, 1967.

Interest on income tax and sur-tax in cases of fraud or neglect.

(2) Where, for any year of assessment, an assessment is made for the purpose of recovering an undercharge to income tax or sur-tax which is attributable to the fraud or neglect of any person, the amount of the tax undercharged shall carry interest at the rate of .75 per cent. for each month or part of a month from the date or dates on which the tax undercharged for that year would have been payable if it had been included in an assessment made before the 1st day of January in that year to the date of payment of the tax undercharged.

30 (3) Subject to subsection (6), subsections (1) and (2) of section 550 of the Income Tax Act, 1967, shall not apply to tax carrying interest under this section.

(4) Subsections (3), (4) and (5) of section 550 and section 551 of the Income Tax Act, 1967, shall apply to interest chargeable under this section as they apply to interest chargeable under the said section 550.

(5) This section shall not have effect in relation to tax charged for any year of assessment prior to the year 1971-72.

40 (6) Where an assessment of the kind referred to in subsection (2) is made—

(a) the inspector concerned shall give notice to the person assessed that the tax charged by the assessment will carry interest under this section,

45 (b) the person assessed may appeal against the assessment on the ground that interest should not be charged under this section, and the provisions of the Income Tax Acts relating to appeals against assessments shall apply and have effect in relation to the appeal as they apply in relation to those appeals with any necessary modifications, and

50 (c) if, on the appeal, it is determined that the tax charged by the assessment should not carry interest under this section, subsections (1) and (2) of section 550 of the Income Tax Act, 1967, shall apply to that tax.

55 **21.**—(1) (a) Section 17 of the Finance Act, 1970, is hereby amended by the insertion in subsection (2) after paragraph (a) of the following paragraph:

Amendment of section 17 of Finance Act, 1970.

“(aa) a local authority, housing association, housing trust or housing society, or”.

(b) This subsection shall be deemed to have come into operation on the 6th day of April, 1971, but nothing in this subsection shall impose an obligation or liability on a local authority, housing association, housing trust or housing society in relation to the deduction of tax or the payment of tax to the Collector in respect of any payment made by it before the passing of this Act unless a deduction from the payment, which if made after the passing of this Act would be a valid deduction of tax, was made by it before such passing.

(c) Where a payment of the kind specified in paragraph (b) is made on or after the 6th day of April, 1971, without a deduction of the kind therein specified, the inspector may, by notice in a form prescribed by the Revenue Commissioners, require the body that made the payment to furnish to him, within one month after the date on which the notice is given to the body, particulars of the payment.

(d) Schedule 15 to the Income Tax Act, 1967, is hereby amended by the insertion in column (2) thereof of "section 21 (1) (c) of the Finance Act, 1971".

(2) Section 17 of the Finance Act, 1970, is hereby further amended by the insertion of the following subsections after subsection (6):

"(6A) Where an amount of tax which a person who is or is deemed to be a principal of the kind referred to in subsection (2) is liable under this section and any regulations under subsection (5) to pay to the Collector is not so paid, simple interest on the amount shall be paid by the person to the Collector and such interest shall be calculated from the date on which the amount became due for payment and at a rate of one per cent. for each month or part of a month during which the amount remains unpaid.

S.I. No. 1 of 1971.

(6B) Subsection (6A) shall apply to tax recoverable from a person by virtue of a notice under Regulation 12 (1) of the Income Tax (Construction Contracts) Regulations, 1971, as if the tax were tax which the person was liable under the said Regulations to remit for—

(a) the income tax month (within the meaning of the said Regulations) during which the period of fourteen days from the service of the notice expired, or

(b) if it is later than the month specified in paragraph (a) of this subsection, the income tax month (within the meaning of the said Regulations) in which the appeal (if any) provided for by Regulation 12 (2) of the said Regulations in relation to the tax was determined by agreement or otherwise.

(6C) The provisions of every enactment and of the Income Tax (Construction Contracts) Regulations, 1971, which apply to the recovery of any amount of tax which a principal of the kind referred to in subsection (2) is liable under this section and the said Regulations to pay to the Collector shall apply to the recovery of any amount of interest payable on that tax as if the said amount of interest were a part of that tax."

(3) Interest shall not begin to run under this section from any date prior to the date of the passing of this Act.

Investment allowance for machinery and plant in designated areas.

22.—(1) In this section and in sections 24 and 25 "qualifying machinery or plant" means machinery or plant (other than vehicles suitable for the conveyance by road of persons or goods or the haulage by road of other vehicles) which is provided for use in any designated area and which, at the time it is so provided, is unused and not secondhand;

"designated area" has the same meaning as in the Industrial 1969, No. 32. Development Act, 1969.

(2) Where a person carrying on a trade or profession incurs, on or after the 1st day of April, 1971, and before the 1st day of April, 1973, capital expenditure on the provision of qualifying machinery or plant for the purposes of the trade or profession, 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 section and in the next three following sections referred to as an investment 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 or profession.

(3) For the purposes of this section—

- (a) the day on which any expenditure is incurred shall be taken to be the day when the sum in question becomes payable,
- (b) expenditure shall not be regarded as having been incurred by a person in so far as it has been or is to be met directly or indirectly by the State, by any board established by statute or by any public or local authority,
- (c) any expenditure incurred for the purposes of a trade or profession by a person about to carry it on shall be treated as if it had been incurred by that person on the first day on which he does carry it on, and
- (d) 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 or profession carried on by the person incurring the expenditure.

(4) Any claim by a person for an allowance under this section in charging the profits or gains of his trade or profession 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 the provision of qualifying machinery or plant and giving such particulars as show that the allowance falls to be made.

(5) The definition of "capital allowance" in sections 69 (1) and 218 of the Income Tax Act, 1967, and section 20 (5) (a) of the Finance Act, 1970, and the definition of "capital allowances" in sections 314 (2) and 317 (1) of the Income Tax Act, 1967, are hereby amended by the addition in each case of "or section 22 of the Finance Act, 1971".

23.—(1) In section 22 "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 investment allowance falls to be made under the said section 22, 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 or Case II of Schedule D in respect of the trade or profession in question or, where, by virtue of any provision of the Income Tax Acts, 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 or profession—

- (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 or profession, 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 or profession 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) to the permanent discontinuance of a trade or profession shall be construed as including a reference to the occurring 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 or profession.

(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.

Provision relating to wear and tear.

24.—(1) For the purposes of ascertaining the amount of any deduction to be allowed to any person under section 241 (1) of the Income Tax Act, 1967, as representing the diminished value by reason of wear and tear during the year of assessment of any qualifying machinery or plant, no account shall be taken of an investment allowance in determining the value of the qualifying machinery or plant at the commencement of the year.

(2) In section 241 (6) of the Income Tax Act, 1967, “the deductions on that account, and”, and the expression “the deductions” where that expression occurs before “and allowances”, shall each be construed as not including a reference to any investment allowance made to the person by whom the trade or profession is carried on.

(3) Section 241 (3) of the Income Tax Act, 1967, shall apply in relation to an investment allowance as it applies in relation to deductions allowable in respect of wear and tear of machinery or plant.

Withdrawal of investment allowance.

25.—Where an investment allowance has been made to any person in respect of expenditure incurred on the provision of qualifying machinery or plant and the machinery or plant is sold by him without the machinery or plant having been used by him in a designated area for the purposes of his trade or profession or before the expiration of the period of two years from the day on which the machinery or plant began to be so used, the investment allowance shall be withdrawn, and all such additional assessments and adjustments of assessments shall be made as may be necessary for or in consequence of the withdrawal of an investment allowance.

Increase of wear and tear allowances for certain machinery and plant.

26.—(1) In this section—

“qualifying machinery or plant” means machinery or plant (other than vehicles suitable for the conveyance by road of persons or goods or the haulage by road of other vehicles) which is provided for use on or after the 1st day of April, 1971, and before the 1st day of April, 1973, in any area other than a designated area for the purposes of a trade or profession and which, at the time it is so provided, is unused and not secondhand;

“designated area” has the same meaning as in the Industrial Development Act, 1969.

(2) Subject to the provisions of this section, where for any year of assessment a deduction falls to be allowed under section 241 of the

Income Tax Act, 1967, for wear and tear of any qualifying machinery or plant, the deduction shall, subject to subsection (6) of that section, be increased by such amount as is specified by the person to whom the deduction is to be allowed in making his claim for the deduction;
5 and, in relation to a case in which this subsection has had effect, any reference in the Income Tax Acts to a deduction allowed under the said section 241 shall be construed as a reference to that deduction as increased under this subsection.

(3) Subsection (2) shall not apply to qualifying machinery or plant
10 which is let to a person on the terms mentioned in section 241 (2) of the Income Tax Act, 1967, unless the contract of letting provides that the person shall or may become the owner of the machinery or plant on the performance of the contract; and where the contract so provides, but without becoming the owner of the machinery or plant, he
15 ceases to be entitled (otherwise than on his death) to the benefit of the contract so far as it relates to the machinery or plant, subsection (2) shall be deemed not to have applied in relation to the machinery or plant and there shall be made accordingly all such additional assessments and adjustments of assessments as may be appropriate.

20 (4) Where for any year of assessment the deduction under section 241 of the Income Tax Act, 1967, for wear and tear of any machinery or plant is increased under this section, no allowance under Chapter I of Part XV of the said Act shall be made in relation to the machinery or plant for that or any subsequent year of
25 assessment.

(5) Section 14 (1) of the Finance Act, 1970, is hereby amended by the addition to the definition of "wear and tear allowance" of "or section 26 of the Finance Act, 1971".

PART II

30 CUSTOMS AND EXCISE

27.—(1) In lieu of the duty of excise imposed by section 34 (1) of the Finance Act, 1969, there shall be charged, levied and paid on all beer brewed within the State on or after the 29th day of April, 1971, a duty of excise at the rate of £29·167 for every thirty-
35 six gallons of worts of a specific gravity of one thousand and fifty-five degrees.

Beer.
1969, No. 21.

(2) In lieu of the duty of customs imposed by section 34 (2) of the Finance Act, 1969, there shall, as on and from the 29th day of April, 1971, be charged, levied and paid on all beer of any description
40 imported into the State, a duty of customs at the rate of £29·192 for every thirty-six gallons of beer of which the worts were before fermentation of a specific gravity of one thousand and fifty-five degrees.

(3) There shall be allowed and paid on the exportation as merchandise or the shipment for use as stores of beer on which it is shown, to the satisfaction of the Revenue Commissioners, that the duty imposed by subsection (1) or subsection (2) of this section has been paid, a drawback calculated according to the original specific gravity of the beer, at the rate of £29·18 on every thirty-six
50 gallons of beer of which the original specific gravity was one thousand and fifty-five degrees.

(4) Where, in the case of beer which is chargeable with the duty imposed by subsection (1) or subsection (2) of this section or in the case of beer on which drawback under subsection (3) of this section is payable, the specific gravity of the beer is not one thousand and
55 fifty-five degrees, the duty or drawback shall be varied proportionately.

1933, No. 15.

(5) Section 24 of the Finance Act, 1933, shall not apply or have effect in relation to the duty of customs imposed by this section.

Spirits.

1920, c. 18.

28.—(1) The Finance Act, 1920, shall, as on and from the 29th day of April, 1971, be amended by the substitution in Part I of the First Schedule thereto of the matter set out in *Part I* of the *First Schedule* to this Act for the matter inserted in the said Part of the said First Schedule by section 35 of the Finance Act, 1969, and section 3 (1) of the said Finance Act, 1920, shall have effect accordingly.

(2) (a) This subsection applies to spirits known as whiskey which at importation are shown to the satisfaction of the Revenue Commissioners to have been wholly manufactured in Northern Ireland and to have been bottled and consigned by the distiller.

(b) The duties of customs to which *subsection (1)* of this section relates shall, as on and from the 29th day of April, 1971, be charged, levied and paid on spirits to which this subsection applies at the rate of £15·373 the gallon (computed at proof) in lieu of the rate chargeable under *subsection (1)* of this section.

(c) Section 35 (2) of the Finance Act, 1969, is hereby repealed as on and from the 29th day of April, 1971.

(3) (a) This subsection applies to spirits, other than spirits mentioned in *subsection (2)* of this section, which at importation are shown to the satisfaction of the Revenue Commissioners to have been manufactured in, and consigned from, the United Kingdom and to have been manufactured therein from materials other than materials falling within Tariff Heading number 22·08 or Tariff Heading number 22·09 in the Schedule to the Imposition of Duties (No. 159) (Customs Duties and Form of Customs Tariff) Order, 1966.

S.I. No. 132 of 1966.

(b) The duties of customs to which *subsection (1)* of this section relates shall, as on and from the 29th day of April, 1971, be charged, levied and paid on spirits to which this subsection applies at the rates set out in *Part II* of the *First Schedule* to this Act in lieu of the rates chargeable under *subsection (1)* of this section.

1919, c. 32.

(c) The provisions of section 8 of the Finance Act, 1919, shall not apply to the duties imposed by this subsection.

(d) Section 35 (3) of the Finance Act, 1969, is hereby repealed as on and from the 29th day of April, 1971.

(e) In this subsection the expression "the United Kingdom" means Great Britain, Northern Ireland, the Isle of Man and the Channel Islands.

(4) The duty of excise imposed by section 3 (2) of the Finance Act, 1920, shall, as on and from the 29th day of April, 1971, be charged, levied and paid at the rate of £15·385 the gallon (computed at proof) in lieu of the rate chargeable by virtue of section 28 (1) of the Finance Act, 1970.

(5) Nothing in this section shall operate to relieve from or to prejudice or affect the additional customs duties or the additional excise duty in respect of immature spirits imposed by section 9 of the Finance Act, 1926.

1926, No. 35.

29.—(1) A person entering the State shall, at such place and in such manner as the Revenue Commissioners may direct, declare to the proper officer of customs and excise any thing included in his baggage or brought with him which on importation is subject to any duty or tax. Customs control of persons entering the State.

(2) A person entering the State shall answer such questions as may be put to him for the purposes of subsection (1) of this section by any officer of customs and excise with respect to his baggage and any thing included therein or brought with him, and shall, if required by the officer, produce that baggage and any such thing for examination.

(3) Any person failing to declare any thing or to produce any baggage or thing as required by this section shall be liable to a penalty of three times the value, including any duty or tax chargeable thereon, of the thing not declared or of the baggage or thing not produced, as the case may be, or £100, whichever is the greater; and any thing chargeable with any duty or tax which is found concealed or is not declared shall be liable to forfeiture.

(4) References in this section to persons entering the State shall be construed as including references to persons coming from the airport (within the meaning of the Customs-free Airport Act, 1947) into any other part of the State. 1947, No. 5.

PART III

DEATH DUTIES

30.—In this Act and in every other enactment for the time being in force (whether passed or made before or after the passing of this Act), unless the contrary intention appears, "death duties" has, and in the case of enactments for the time being in force that were passed or made before the passing of this Act, shall be deemed always to have had the same meaning as in section 13 (3) of the Finance Act, 1894. "Death duties".
1894, c. 30.

31.—In the case of persons dying after the passing of this Act, the scale set out in the *Second Schedule* to this Act shall be, and shall have effect as, the scale of rates of estate duty in lieu of the scale set out in the *Second Schedule* to the Finance Act, 1961. Alteration of rates of estate duty.
1961, No. 23.

32.—(1) Subject to subsection (2) of this section—
(a) section 18 (1) of the Finance Act, 1896, shall have effect, in its application to interest accruing due after the passing of this Act, as if— Interest on death duties.
1896, c. 28.

(i) "nine per cent." were substituted for "four per cent." (inserted by the Finance Act, 1919), and

(ii) "the date of the expiration of four months after" were inserted before "the date of the death",

and

(b) section 9 of the Finance Act, 1912, shall have effect, in its application to interest accruing due after the passing of this Act, as if "nine per cent." were substituted for "three per cent.". 1912, c. 8.

(2) Notwithstanding anything in *subsection (1)* of this section, interest accruing due on any death duties payable in connection with the deaths of persons who have died before the passing of this Act shall—

(a) in any case in which such duties are being paid by instalments, continue to be payable at the rate of four per cent. per annum, and

(b) in any other case, continue, for a period of four months after such passing, to be payable at the rate of four per cent. per annum. 10

(3) In the case of a person dying after the passing of this Act, the Finance Act, 1894, shall have effect as if—

(a) in section 8 (9) “nine per cent.” were substituted for “four per cent. or any higher interest yielded by the property”,

(b) in section 8 (12) and section 10 (3) “nine per cent.” were substituted for “three per cent.” in each provision, and 15

(c) in section 10 (4) “nine per cent.” were substituted for “three per cent.”.

Amendment of
section 8 of
Finance Act, 1894.

33.—(1) Section 8 (4) of the Finance Act, 1894, is hereby amended by the deletion of “and his executor is not accountable for the Estate Duty in respect of such property”. 20

(2) This section shall have effect only in cases in which the deceased dies after the passing of this Act.

Amendment of
section 28 of
Finance Act, 1931.

34.—Section 28 of the Finance Act, 1931, is hereby amended by the insertion after subsection (5) of the following subsection: 25

1931, No. 31.

“(6) (a) Where any objects to which this section applies passed or were deemed to pass on any death occurring after the passing of the Finance Act, 1971—

(i) in the event of a sale (other than a sale to which subsection (3) of this section applies) within six years after that death of any of those objects, being objects which passed on that death, or 30

(ii) in the event of a sale (other than a sale to which subsection (3) of this section applies) of any of those objects, being objects which were deemed to pass on that death, within six years after the date of the divesting, determination or other transaction by virtue of which the objects were so deemed to pass, 35

subsection (1) of this section shall, in respect of that death, cease to apply to any of those objects that were sold as aforesaid. 40

(b) References in this subsection to a death on which any objects to which this section applies passed or were deemed to pass shall be construed, in a case in which there was, in relation to those objects, more than one such death, as a reference to the last only of such deaths.”. 45

35.—In the case of any person dying after the passing of this Act, section 28 of the Finance Act, 1961, is hereby amended by—

Amendment of
section 28 of
Finance Act, 1961.

(a) the insertion at the end of subsection (1) of the following proviso:

5 “Provided that this subsection shall not apply in any
case where at the time of the making of the gift there
was reserved to the donor or at any time thereafter there
was granted or demised to him an interest in the property
10 for a period other than a period determinable by refer-
ence to death, or he became entitled to or acquired any
interest in or benefit from the property or any right or
privilege over or in relation to the property other than an
interest for a period determinable by reference to death,
15 and he had not divested himself of any such interest,
benefit, right or privilege more than five years before his
death.”, and

(b) by the insertion at the end of subsection (3) of the following proviso:

20 “Provided that this subsection shall not apply in any
case where at the time of the said disposition or the
determination referred to in subsection (3) of this section
there was reserved to the donor or at any time thereafter
there was granted or demised to him an interest in the
25 property for a period other than a period determinable
by reference to death, or he became entitled to or
acquired any interest in or benefit from the property or
any right or privilege over or in relation to the property
other than an interest for a period determinable by
reference to death, and he had not divested himself of
30 any such interest, benefit, right or privilege more than
five years before his death.”.

36.—(1) Section 20 of the Finance Act, 1965, is hereby amended—

Amendment of
section 20 of
Finance Act, 1965.

(a) by the deletion in subsection (1) in the definition of “com-
pany controlled by the deceased” of paragraphs (a) and
35 (b), and by the insertion in that definition after
“nominees of relatives of the deceased” of “or trustees
of a settlement whose objects include the deceased or
relatives of the deceased”.

1965, No. 22.

(b) by the deletion in the said subsection (1) of the definition of
40 “control”,

(c) by the substitution in the said subsection (1) for the defini-
tion of “relative” of the following definition:

45 “‘relative’ means a person who is a relative of another
person for the purposes of subsection (4) of section 31 of
the Finance Act, 1941, and references to children and to
issue in that subsection shall be deemed, for the purposes
of this subsection to include references to step-children
and children adopted under the Adoption Acts, 1952 and
1964.”.

1941, No. 14

50 (d) by the insertion in subsection (2) after paragraph (a) of the
following paragraph:

“ (aa) a person shall be deemed to have control of a
company at any time if—

55 (i) he then had control of powers of voting on all
questions, or on any particular question,
affecting the company as a whole which, if
exercised, would have yielded a majority of
the votes capable of being exercised thereon,

or could then have obtained such control by an exercise at that time of a power exercisable by him or at his direction or with his consent, or

(ii) he then had the capacity, or could then by an exercise of a power exercisable by him or at his direction or with his consent obtain the capacity, to exercise or to control the exercise of any of the following powers, that is to say, the powers of a board of directors or of a governing director of the company, power to nominate a majority of the directors or a governing director thereof, power to veto the appointment of a director thereof, or powers of a like nature, or

(iii) he then had a right to receive or the receipt of more than one half of the total amount of the dividends of the company, whether declared or not, and for the purposes of this sub-paragraph 'dividend' shall be deemed to include interest on any debentures of the company, or

(iv) he then had an interest in the shares in or the debentures of the company or in both of an aggregate principal value representing one half or more of the aggregate principal value of the shares and debentures of the company,"

(e) by the insertion in subsection (5) after "deceased" of "at any time within the period of five years before his death",

(f) by the substitution for subsection (6) of the following sub-section :

"(6) Where there pass or are deemed to pass on a death shares in a company which is not a non-trading company and which was a company controlled by the deceased at any time within the period of five years before his death, the value of each such share shall, for all purposes of death duties, be determined as if it formed part of a group of shares sufficient in number to give the owner of the group control of the company, and for the purposes of this subsection 'share' includes any interest whatsoever in a company, by whatsoever name it is called, analogous to a share.", and

(g) by the insertion in subsection (7) after "controlled by the deceased" of "or was a company controlled by the deceased at any time within the period of five years before his death".

(2) (a) "income or benefits" in section 20 (4) (a) (ii) of the Finance Act, 1965, shall be deemed to include any income of the company and any periodical payment out of the resources or at the expense of the company which the deceased received for his own benefit whether directly or indirectly or any such income or payment which the deceased was entitled to receive or could have become entitled to receive by the exercise of any power exercisable by him or with his consent and any such income or benefits shall be deemed to have accrued to him at the earliest time at which he could have obtained the receipt thereof and, without prejudice to the generality of the foregoing, the redemption by the company of any share or debenture of the company to which the deceased was entitled or the repayment of any other loan made by the deceased to the company shall be treated as income or benefits to which

the deceased was entitled, and interest at the normal commercial rate on any interest free loan made by the company to the deceased shall likewise be deemed to be income to which the deceased was entitled, and

- 5 (b) "payment" in the said section 20 (4) (a) (ii) shall be deemed to include a transfer of property and a set-off or release of an obligation :

10 Provided however that, in any case in which it is shown to the satisfaction of the Revenue Commissioners or on appeal under section 10 of the Finance Act, 1894, of the court entertaining the appeal, that any loan made by the deceased to the company, other than a loan to enable the company to acquire additional assets, was in all respects a transaction at arm's length with the company, the repayments on foot of such loan or the payment of interest on such loan
15 shall not be treated as income or benefits for the purposes of the said section 20 (4) (a) (ii).

(3) This section shall have effect only in cases in which the deceased dies after the passing of this Act.

20 **37.**—(1) Section 22 (2) of the Finance Act, 1965, shall have effect in relation to a death occurring after the passing of this Act as if— Amendment of section 22 of Finance Act, 1965.

(a) "other than land" were deleted, and

(b) the following paragraph were inserted after paragraph (a)—

25 " (aa) the property passes or is deemed to pass under or by virtue of a disposition, whether made before or after the passing of this Act, the proper law of which at the date when the disposition took effect was the law of the State, or "

30 (2) Paragraphs (a) and (b) of the said section 22 (2) shall not apply, in the case of land situate out of the State, where the death is that of a person whose domicile of origin was not in the State and the land had been held by him or for his benefit prior to the date on which such person became ordinarily resident in the State.

35 **38.**—(1) Section 27 (4) of the Finance Act, 1965, shall cease to have effect in relation to property which is deemed to pass on a death occurring after the passing of this Act. Cesser of section 27(4) of Finance Act, 1965.

(2) Subsection (1) of this section shall have effect only in cases in which the relevant disposition, surrender, assurance, divesting, determination or other transaction was made or effected after or within two years before the passing of this Act.

40 **39.**—(1) Section 45 of the Finance Act, 1969, is hereby amended by the substitution of "£1,500" for "£1,000" and of "£750" for "£500" in each place where they respectively occur in subsections (2), (3), (4) and (5). Abatement of estate duty.

45 (2) This section shall have effect only in relation to benefits (within the meaning of the said section 45) accruing on or after the passing of this Act.

50 **40.**—(1) Subject to subsection (2) of this section, in the case of any person dying after the passing of this Act, the proviso to section 7 (5) of the Finance Act, 1894, and the provisions of section 61 (1) of the Finance (1909-10) Act, 1910, shall cease to have effect in relation to Removal of restriction on value of agricultural property in certain cases. 1910, c. 8.

property which is sold within the period of six years after the date by reference to which such property is required to be valued for estate duty.

(2) In any case in which it is shown to the satisfaction of the Revenue Commissioners that any such sale as aforesaid was effected 5 solely as part of a family arrangement for the distribution of the estate of a deceased person among his widow and children (including any illegitimate children, step-children and children adopted under the provisions of the Adoption Acts, 1952 and 1964) and that the property the subject of the sale remains in the possession of any one 10 or more of them, *subsection (1)* of this section shall not apply unless the said property is subsequently sold within the period of six years after the date of the death of such deceased person.

Restriction of exemption from duty of marriage gifts.

41.—(1) Where a person makes a gift in consideration of marriage and the person is either a party to the marriage or the parent or 15 remoter ancestor of a party to the marriage and the gift is for the benefit either of a party to the marriage or of the issue of the marriage, paragraphs (c) and (e) of section 2 (1) of the Finance Act, 1894, shall apply to so much only of the principal value of the property comprised in the gift as exceeds £5,000. 20

(2) Where a person makes a gift in consideration of marriage and the gift is for the benefit either of a party to the marriage or of the issue of the marriage and *subsection (1)* of this section does not apply, paragraphs (c) and (e) of section 2 (1) of the Finance Act, 1894, shall apply to so much only of the principal value of the property com- 25 prised in the gift as exceeds £1,000.

(3) In the case of any one death—

(a) the total amount of the relief conferred by *subsection (1)* of this section in respect of any one marriage shall not exceed £5,000, and 30

(b) the total amount of the relief conferred by *subsection (2)* of this section in respect of any one marriage shall not exceed £1,000.

(4) In this section “issue” includes a step-child and a child adopted under the provisions of the Adoption Acts, 1952 and 1964, 35 and their issue and “parent” and “remoter ancestor” shall be construed accordingly.

(5) (a) Section 59 (2) of the Finance (1909-10) Act, 1910, as amended by the Finance Act, 1965, shall have effect as if “which are made in consideration of marriage, to or for 40 the benefit of a party to the marriage or of issue of the marriage, or” were deleted.

1938, No. 25.

(b) Section 27 of the Finance Act, 1938, shall have effect as if paragraph (a) were deleted.

(c) Section 24 (3) of the Finance Act, 1961, shall have effect as 45 if paragraph (c) were deleted.

(6) This section shall have effect only in respect of dispositions and gifts made on or after the 28th day of April, 1971.

Penalties.

42.—(1) A person who fails to comply with subsection (3), (4), (5) or (14) of section 8 of the Finance Act, 1894, shall be liable to a 50 penalty not exceeding £500.

(2) (a) Where a person fraudulently or negligently, for the purposes of the enactments relating to estate duty, delivers, produces, furnishes, gives or sends to the Revenue Commissioners or otherwise makes use of any incorrect account, return, estimate, statement, information, book, document, record or declaration, he shall be liable to a penalty of—

- (i) a sum not exceeding £500, and
- (ii) the amount of, or in the case of fraud, double the amount of, the additional duty payable if the said account, return, estimate, statement, information, book, document, record or declaration had been correct.

Provided that the person shall be deemed not to have acted negligently if he had a reasonable excuse for his action and the incorrect account, return, estimate, statement, information, book, document, record or declaration, as the case may be, was corrected by him without unreasonable delay after the excuse had ceased.

(b) For the purposes of this subsection, any account, return, estimate, statement, information, book, document or declaration submitted on behalf of any person accountable for estate duty shall be deemed to have been submitted by that person unless he proves that it was submitted without his consent or knowledge.

(3) Any person who assists in or induces the making or delivery for any purpose of estate duty of an account, return, estimate, statement or declaration which he knows to be incorrect shall be liable to a penalty not exceeding £500.

(4) Where a person liable to pay any estate duty or any instalment thereof fails to pay the duty or the instalment within a period of one year after the date on which the duty or the instalment was payable or within such further period as the Revenue Commissioners may determine, he shall be liable to a penalty of the amount of the duty.

(5) A banker (within the meaning of section 33 of the Finance Act, 1935) who pays money in contravention of the said section 33 shall be guilty of an offence under that section and shall be liable, on conviction on indictment, to a penalty of £1,000.

(6) (a) Proceedings for the recovery of any penalty under this section may be commenced at any time within six years next after the date on which it was incurred.

(b) Where the person who has incurred any penalty under this section has died, any proceedings which have been or could have been commenced against him may be continued or commenced against his executor or administrator, as the case may be, and any penalty awarded in proceedings so continued or commenced shall be a debt due from and payable out of his estate.

(7) (a) In this section, a reference to estate duty includes a reference to the interest payable upon such duty.

(b) A penalty under this section may—

- (i) if it is payable by an unincorporated body of persons, be recovered from all or any one or more of the members of the body, and
- (ii) if it is payable by a body corporate, be recovered from all or any one or more of the directors or

members of any committee of management or other controlling authority of such body or from the secretary or other officer of the body who is nominated by the body to deliver to the Revenue Commissioners any affidavit, account, statement or information relating to estate duty, 5

unless, in the case of any person from whom it is sought to recover the penalty, it is proved that the act or omission to which the penalty relates took place without his knowledge or consent. 10

(8) The Revenue Commissioners may, in their discretion, mitigate any penalty under this section, or stay or compound any proceedings for the recovery thereof, and may also, after judgment, further mitigate or entirely remit the penalty.

PART IV 15

STAMP DUTIES

Amendment of Stamp Act, 1891.

1891, c. 39.

43.—(1) The Stamp Act, 1891, is hereby amended by—

- (a) the insertion of "or aircraft" after "or any ship or vessel" and after "in any ship or vessel" in section 59 (1), and
- (b) the insertion of "or aircraft" after "of any ship or vessel" and after "in any ship or vessel" in paragraph (2) under the heading "General Exemptions from all Stamp Duties" (inserted by the Finance Act, 1970) in the First Schedule. 20

(2) This section shall come and be deemed to have come into operation on the 1st day of October, 1970, and shall not have effect with respect to any instrument executed before such coming into operation. 25

Exemption from stamp duty on certain bills of exchange.

44.—(1) The First Schedule (as amended by the Finance Act, 1970) to the Stamp Act, 1891, shall have effect as if the following exemption were inserted therein under the heading "BILL OF EXCHANGE OR PROMISSORY NOTE": 30

"(9) Bill drawn on any form supplied by the Commissioners for the purpose of remitting amounts of tax in accordance with Regulation 10 of the Income Tax (Construction Contracts) Regulations, 1971." 35

(2) This section shall have and be deemed to have had effect as on and from the 6th day of April, 1971.

PART V

CORPORATION PROFITS TAX 40

Continuance of certain exemptions from corporation profits tax.

1929, No. 32.

45.—The exemptions from corporation profits tax specified in section 33 (1) of the Finance Act, 1929, shall be given in respect of the period beginning on the 1st day of January, 1971, and ending on the 31st day of December, 1971.

Amendment of section 69 of Finance Act, 1959.

1959, No. 18.

46.—(1) Any reference in section 69 of the Finance Act, 1959, to an allowance under section 241 of the Income Tax Act, 1967, shall, in a case in which section 26 (2) of this Act has had effect, be construed as a reference to the allowance as increased under that subsection. 45

(2) Section 69 of the Finance Act, 1959, is hereby amended by the insertion in subsection (1) of the following paragraph after paragraph (d);

5 “(dd) an investment allowance under section 22 of the Finance Act, 1971.”.

(3) Where for any year of assessment—

(a) section 26 (2) of this Act is deemed not to have applied to any machinery or plant, or

10 (b) an investment allowance in respect of qualifying machinery or plant is withdrawn under section 25 of this Act,

there shall be made for the purposes of corporation profits tax all such additional assessments and adjustments of assessments as may be appropriate.

15 47.—(1) In relation to interest chargeable for any month commencing on or after the date of the passing of this Act, or part of such a month on corporation profits tax due and payable whether before, on or after such date, section 14 (1) of the Finance Act, 1962, is hereby amended by the substitution of “.75 per cent.” for “one-half per cent.”.

Amendment of
section 14 of
Finance Act, 1962.
1962, No. 15

20 (2) (a) Section 14 of the Finance Act, 1962, is hereby further amended—

(i) by the addition to subsection (1) of the following proviso :

25 “Provided that corporation profits tax charged by any assessment shall, notwithstanding any appeal against such assessment, carry interest at the rate of .75 per cent. for each month or part of a month from the date when, if there were no appeal against the assessment, the tax would become due and payable under section 56 (1) of the Finance Act, 1920, until payment.”;

(ii) by the substitution in subsection (3) of “two months” for “three months”; and

35 (iii) by the insertion after subsection (3) of the following subsection :

40 “(3A) (a) Where notice of appeal has been given against an assessment to corporation profits tax and an agreement as to the amount of tax which should be paid notwithstanding the appeal has been reached between the appellant and the inspector or other officer of the Revenue Commissioners concerned under section 31 of the Finance Act, 1964, and the amount so agreed has been paid within the period referred to in subsection (3), subsection (1) shall not apply to any balance of tax chargeable in accordance with the determination of the appeal if such balance is paid within two months from the determination of the appeal.

1964, No. 15.

50 (b) Where notice of appeal has been given against an assessment to corporation profits tax and, in the absence of such an agreement as is referred to in paragraph (a), an appellant pays within the period

S.I. No. 130 of
1967.

Amendment of
section 31 of
Finance Act, 1964.

referred to in subsection (3) a sum on account of the tax charged by the assessment under appeal and such sum proves to be not less than 80 per cent. of the amount of tax found to be chargeable by the assessment on the determination of the appeal, subsection (1) shall not apply to any balance of tax chargeable in accordance with the determination if such balance is paid within two months from the date of the determination of the appeal.

(c) In this subsection 'determination of the appeal' means a determination by the Appeal Commissioners under section 416 (4) of the Income Tax Act, 1967 (as applied to corporation profits tax by Regulation 6 of the Corporation Profits Tax Regulations, 1967), and includes—

(i) an agreement under section 416 (3) of the Income Tax Act, 1967 (as applied as aforesaid), and

(ii) an assessment becoming final and conclusive by virtue of section 416 (6) of that Act (as applied as aforesaid)."

(b) Paragraph (a) of this subsection shall not have effect in relation to corporation profits tax charged by any assessment made before the date of the passing of this Act.

(3) Section 65 of the Finance Act, 1965, shall not apply in relation to assessments to corporation profits tax made on or after the date of the passing of this Act.

48.—In relation to assessments made on or after the date of the passing of this Act, section 31 of the Finance Act, 1964, is hereby amended—

(a) by the insertion in subsection (1) after "repaid" of "with interest at the rate provided by section 14 (1) of the Finance Act, 1962, from the date or dates of payment of the amount or amounts giving rise to the overpayment to the date on which the repayment is made", and

(b) by the addition to subsection (1) of the following proviso:

"Provided that—

(a) interest shall not be payable under this subsection if it amounts to less than £1, and

(b) income tax shall not be deductible on payment of interest under this section and such interest shall not be reckoned in computing profits for purposes of corporation profits tax.", and

(c) by the insertion after subsection (1) of the following subsection:

"(1A) Where, in a case in which notice of appeal has been given against an assessment to corporation profits tax and in which there is no agreement of the kind referred to in subsection (1), the appellant pays an amount of tax on account of the tax charged by the assessment under appeal which is in excess of the tax found to be chargeable by the assessment on the determination of the appeal, the provisions of subsection (1) shall apply as if the overpayment of tax had arisen by reason of a payment made in accordance with an agreement of the kind aforesaid."

49.—Notwithstanding that, in the case of an assessment to corporation profits tax made upon a person on or after the date of the passing of the Finance Act, 1971, the person has, pursuant to section 429 of the Income Tax Act, 1967 (as applied to corporation profits tax by section 56 (6) of the Finance Act, 1920), required his appeal to the Appeal Commissioners against the assessment to be reheard by a judge of the Circuit Court, corporation profits tax shall be paid in accordance with the determination of the Appeal Commissioners:

Payment of tax notwithstanding application for rehearing of appeal by Circuit Court.

Provided that if the amount of the assessment is altered by the determination of the judge, then—

(a) if too much tax has been paid, the amount or amounts overpaid shall, save where the interest amounts to less than £1, be repaid with interest at the rate provided by section 14 (1) of the Finance Act, 1962, from the date or dates of payment of the amount or amounts overpaid to the date on which the repayment is made; or

(b) if too little tax has been paid, any balance shall be payable but the provisions of section 14 (3A) of the Finance Act, 1962, shall apply as if the appeal were an appeal to the Appeal Commissioners and the determination of the appeal by the judge were a determination of the appeal by the Appeal Commissioners.

50.—(1) In this section “neglect” has the same meaning as in section 13 of the Finance (Miscellaneous Provisions) Act, 1968.

Interest on corporation profits tax in cases of fraud or neglect.

(2) Where, for any accounting period ending on or after the date of the passing of this Act, an assessment is made for the purpose of recovering an undercharge to corporation profits tax which is attributable to the fraud or neglect of any person, the amount of the tax undercharged shall carry interest at the rate of .75 per cent. for each month or part of a month from the expiration of one year after the end of that accounting period to the date of payment of the tax undercharged.

1968, No. 7.

(3) Subject to subsection (5), subsections (1) and (3) of section 14 of the Finance Act, 1962, shall not apply to tax carrying interest under this section.

(4) Subsections (4), (5), (6) and (7) of section 14 of the Finance Act, 1962, shall apply to interest chargeable under this section as they apply to interest chargeable under the said section 14.

(5) Where an assessment of the kind referred to in subsection (2) is made—

(a) the inspector concerned shall give notice to the person assessed that the tax charged by the assessment will carry interest under this section,

(b) the person assessed may appeal against the assessment on the ground that interest should not be charged under this section and the provisions of the enactments relating to corporation profits tax governing appeals against assessments shall apply and have effect in relation to the appeal as they apply in relation to those appeals with any necessary modifications, and

(c) if, on the appeal, it is determined that the tax charged by the assessment should not carry interest under this section, subsections (1) and (3) of section 14 of the Finance Act, 1962, shall apply to that tax.

PART VI

MISCELLANEOUS

51.—(1) In this section—

“the principal section” means section 22 of the Finance Act, 1950;

“the 1970 amending section” means section 52 of the Finance Act, 1970;

Capital Services Redemption Account.

1950, No. 18.

"the twenty-first 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 1970 amending section shall, in relation to the twenty-nine successive financial years commencing with the financial year ending on the 31st day of March, 1972, have effect with the substitution of "£3,578,220" for "£3,590,509".

(3) Subsection (6) of the 1970 amending section shall have effect with the substitution of "£2,258,759" for "£2,322,880".

(4) A sum of £3,815,802 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, 1972.

(5) The twenty-first 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 twenty-first additional annuity, not exceeding £2,456,314 in any financial year, may be applied towards defraying the interest on the public debt.

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

Excise duties
on registration
of firearms
dealers.

1925, No. 28.

52.—Section 41 of the Finance Act, 1925, is hereby amended—

(a) by the substitution of "twenty-five pounds" for "one pound" in subsection (1),

(b) by the insertion in subsection (2) after "imposed by" of "subsection (1) of", and

(c) by the insertion after subsection (2) of the following subsections:

"(3) In lieu of the duty imposed by subsection (1) of this section, an excise duty of three pounds shall be charged, levied and paid on the occasions hereinafter mentioned on and by every person who after the passing of the Finance Act, 1971, becomes registered in any register of firearms dealers established and kept under the Firearms Act, 1925, and whose registration is made subject to the condition that he confines his dealings as a firearms dealer to the purchase and sale of ammunition for shotguns, for unrifled air guns and for rifled firearms of a calibre not exceeding .22 inches.

(4) The excise duty imposed by subsection (3) of this section shall be charged, levied and paid upon registration in any such register as aforesaid subject to the condition aforesaid and also upon every renewal of any such registration."

1925 No. 17.

Repeals.

53.—In the case of persons dying after the passing of this Act, each enactment specified in *column (2)* of the *Third Schedule* to this Act is hereby repealed to the extent specified in *column (3)* of that Schedule.

Care and
management of
taxes and duties.

54.—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.

55.—(1) This Act may be cited as the Finance Act, 1971.

(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 customs, shall be construed together with the Customs Acts and the said *Part II*, so far as it relates to duties of excise, and *section 52* shall be construed together with the statutes which relate to the duties of excise and the management of those duties.

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

(5) *Part V* of this Act shall be construed together with *Part V* of the Finance Act, 1920, and the enactments amending or extending that Part.

(6) *Part I* of this Act shall, save as is otherwise expressly provided therein, be deemed to have come into force and shall take effect as on and from the 6th day of April, 1971.

(7) Any reference in this Act to any other enactment shall, except so far as the context otherwise requires, be construed as a reference to that enactment as amended by or under any other enactment, including this Act.

FIRST SCHEDULE

SPIRITS (RATES OF ORDINARY CUSTOMS DUTY)

Section 28.

PART I

Description of Spirits (1)	Preferential Rates (2)	Full Rates (3)
For every gallon of Perfumed Spirits ..	£ 32-067	£ 32-267
For every gallon of liqueurs, cordials, mixtures and other preparations in bottle entered in such manner as to indicate that the strength is not to be tested ..	27-056	27-223
For every gallon computed at proof of spirits of any description not heretofore mentioned and mixtures and preparations containing spirits	20-042	20-167

PART II

Description of Spirits	United Kingdom Rate
For every gallon of Perfumed Spirits	£ 26-963
For every gallon of liqueurs, cordials, mixtures and other preparations in bottle entered in such manner as to indicate that the strength is not to be tested	22-75
For every gallon computed at proof of spirits of any description not heretofore mentioned and mixtures and preparations containing spirits	16-852

SECOND SCHEDULE

SCALE OF RATES OF ESTATE DUTY

Principal value of the Estate				Rate per cent of duty
£				
Exceeding	5,000 and not exceeding	6,000	..	1
"	6,000 " " "	7,000	..	2
"	7,000 " " "	8,000	..	3
"	8,000 " " "	10,000	..	4
"	10,000 " " "	12,500	..	6
"	12,500 " " "	15,000	..	8
"	15,000 " " "	17,500	..	10
"	17,500 " " "	20,000	..	12
"	20,000 " " "	25,000	..	14
"	25,000 " " "	30,000	..	16
"	30,000 " " "	35,000	..	18
"	35,000 " " "	40,000	..	21
"	40,000 " " "	45,000	..	24
"	45,000 " " "	50,000	..	27
"	50,000 " " "	55,000	..	30
"	55,000 " " "	60,000	..	33
"	60,000 " " "	75,000	..	37
"	75,000 " " "	100,000	..	41
"	100,000 " " "	150,000	..	45
"	150,000 " " "	200,000	..	50
"	200,000	55

THIRD SCHEDULE

ENACTMENTS REPEALED

Session and Chapter or Number and Year (1)	Short Title (2)	Extent of Repeal (3)
57 & 58 Vict., c.30.	Finance Act, 1894.	Subsection (6) of section 8 and the words "and any person who wilfully fails to comply with the provisions of this enactment shall be liable to the penalty above in this section mentioned" in subsection (14) of that section.
10 Edw. 7, c. 8.	Finance (1909-10) Act, 1910.	Section 94 (in so far as it relates to estate duty).
No. 28 of 1935.	Finance Act, 1935.	Section 33 (3).

BILLE

dá ngairtear

Acht do mhuirearú agus d'fhorchur dleachtanna áirithe custam agus ioncaim intíre (lena n-áirítear mál), do leasú an dlí a bhaineann le custaim agus ioncam intíre (lena n-áirítear mál) agus do dhéanamh tuilleadh forálacha i dtaobh airgeadais.

Meastar a bheith rite ag dhá Theach an Oireachtais, 22 Iúil, 1971

BAILE ÁTHA CLIATH:
ARNA FHOILSIÚ AG OIFIG AN tSOLÁTHAIR.

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

Cló-bhuailte ag CAHILL & Co., LTD.,

12½p

Wt. 65779/G/4. 1,300. 7/71. C.&Co. (5615). G.16.

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.

Deemed to have been passed by both Houses of the Oireachtas, 22nd July, 1971

DUBLIN:
PUBLISHED BY THE STATIONERY OFFICE.

To be purchased through any bookseller, or directly from the Government Publications Sale Office, G.P.O., Arcade, Dublin.

Printed by CAHILL & Co., LTD.

12½p