



AN BILLE AIRGEADAIS, 1976

FINANCE BILL, 1976

EXPLANATORY MEMORANDUM

PART I

INCOME TAX, SUR-TAX, CORPORATION PROFITS TAX AND CAPITAL GAINS TAX

Introduction

Part I of the Bill has been prepared by reference to the existing system of taxation. There will, however, be a new system of taxation for companies as from 6 April, 1976, when the proposed corporation tax comes into force. Company profits will not then be liable to income tax or corporation profits tax but will be chargeable to corporation tax. Since the Corporation Tax Bill, 1975, has not yet become law, its provisions have not been taken into account in the Finance Bill. It is proposed, however, to table a number of amendments to the Finance Bill, at the Committee Stage, which will make the necessary adaptations, assuming that the Corporation Tax Bill has become law by that time.

CHAPTER I

Income Tax

Section 1 provides that, until the contrary is proved, a certificate signed by an officer of the Revenue Commissioners shall be evidence in proceedings under the PAYE legislation that a defendant was an employer during a stated period.

Section 2 raises the income limit, for purposes of the dependent relative allowance, to £510 for 1975-76 and £575 for 1976-77. This ensures that a taxpayer, who maintains at his own expense a dependent relative having no income other than a non-contributory old age pension (personal rate), will not have the dependent relative allowance for either year reduced because of the increases granted in that pension with effect from October, 1975, and April, 1976.

Section 3 authorises inspectors of taxes (instead of the Revenue Commissioners) to serve notices for the production of accounts and books (as provided for in section 174 of the Income Tax Act, 1967).

Section 4 provides that where, in the case of a married couple, application for separate assessment is made, effect will be given to the application until such time as it is withdrawn.

Section 5 ensures that certain amounts of annual interest which may be allowable in the computation of profits or income, but from which income tax was deductible on payment, cannot be used to augment a claim for relief in respect of losses.

Section 6 brings forward the due dates of payment of income tax for individuals assessable under Schedule D. At present, tax

in respect of profits or gains from a trade or profession is payable in two equal instalments, one payable on 1 January in the year of assessment and one on the following 1 July. Tax assessed on income from investments, rents, etc., is payable in one instalment on 1 January in the year of assessment. The due dates of payment will, as from 1977-78, be 1 July in the year of assessment where the tax is payable in one instalment and 1 July and 1 January in the year of assessment where the tax is payable in two instalments. As a transitional measure, the due dates of payment for 1976-77 will be 1 October, 1976, and 1 April, 1977. Consequential amendments are being made in section 20 of the Finance Act, 1971, which provides for an interest charge in back duty cases as from what would have been the due date of payment if the liability had been assessed at the proper time.

Section 7 corrects a drafting flaw in section 497 of the Income Tax Act, 1967, which deals with claims for repayment of tax. The section was amended in 1974 following the introduction, in that year, of the unified system of personal income tax. As the section now stands, it is thought that in certain circumstances a taxpayer might claim repayment of an amount greater than the amount of tax paid by him. The present section clarifies the position by adding an appropriate proviso.

Section 8 effects a drafting amendment in section 525 of the Income Tax Act, 1967, which originally provided for the grossing-up for sur-tax purposes of sums received in respect of restrictive covenants. The section was amended in 1974 when the unified system of personal taxation was introduced with the consequential abolition of sur-tax. The 1974 amendment provided that such sums were to be treated as received "after deduction of tax". This is now being corrected to read "after deduction of tax at the standard rate".

Section 9 continues for 1976-77 the 10 per cent. increase in the standard and higher rates of income tax which applied to individuals in 1975-76.

Section 10 provides for increases in the personal allowances as set out in the table in the section.

Section 11 effects a drafting amendment in section 169 of the Income Tax Act, 1967, and makes provision for the furnishing of a separate return of income by a married woman who is in receipt of income.

Section 12 extends to non-corporate traders the relief granted for two years by section 31 of the Finance Act, 1975, to companies in respect of increases in the value of trading stock. The relief to companies is being extended for a third year by section 26 of the Bill and the relief will now be available to non-corporate traders for the same three years.

Section 13 imposes a surcharge of 20 per cent. on income arising to certain trustees which is not distributed within the year of assessment or within eighteen months after the end of that year. The surcharge will not apply if the income is so distributed and falls to be treated as income of the person to whom it is distributed (and therefore liable to income tax at that person's higher rates of tax, if applicable).

Section 14 extends to tax due by principal contractors, in respect of deductions made by them from payments to sub-contractors, the priority granted, in cases of bankruptcy and liquidation, to taxes due to the State.

CHAPTER II

Income Tax in Respect of Certain Emoluments

Section 15 brings within the scope of PAYE certain employees and office holders who were hitherto excluded from the PAYE system.

Section 16 is a relieving provision designed to ease the transition from assessment on a preceding year basis to taxation on a current year basis for those being brought within PAYE by the previous section. It provides that one-half of the tax assessment for 1975-76 will be set, in three equal instalments, against the tax due for the years 1976-77, 1977-78 and 1978-79.

Section 17 makes special provision in relation to remuneration which, although charged in the accounts of the employer and allowed as an expense in the computation of his profits, has not been formally paid (although the employee or director may already have got the benefit of the remuneration). Broadly speaking, it is provided that if the remuneration is not paid within a period of six months from the last day of the accounting period there will be a liability on the employer to account for the appropriate PAYE tax (and, where it arises, interest).

CHAPTER III

Taxation of Farming Profits

Section 18 continues the notional basis of assessment of farming profits for the year 1976-77. It also provides that, with effect as from the year 1975-76, the total amount of the deductions which may be granted on the notional basis is not to exceed 40 times the rateable valuation. Otherwise, the calculations could create an artificial loss which could give rise to claims for loss relief where no actual loss had been incurred.

Section 19 is an anti-avoidance provision to counter devices, by farmers with land of rateable valuation of over £100, designed to bring their farming profits outside the tax net. One device involves the fragmentation of farms by the transfer of ownership to a company set up by the owner and the letting by the company of parcels of land rent-free, or at nominal rents, to the previous owner and members of his family.

Another scheme for avoiding liability is one under which the owner, while retaining ownership of the land, claims the existence of a partnership with members of his family, by virtue of which all or most of the farming profits flow to the members of the family, each of whom is deemed to occupy part only of the farm and so is not within the scope of the tax charge. The section counters these devices by providing that the £100 threshold will not apply in cases where the land is occupied rent-free or at a nominal rent, while owned by a connected person.

CHAPTER IV

Payments to Sub-contractors in the Construction Industry

Section 20, which follows on Financial Resolution No. 10 passed on Budget Day, contains transitional provisions relating to payments by principals to sub-contractors made on or after 1 March, 1976, and before 6 December, 1976. It provides that a principal contractor who makes a payment to a sub-contractor during this period must deduct tax from the payment at a rate of 35 per cent, unless the sub-contractor produces to him a certificate, authorising payment in full, which has been authenticated after 28 January, 1976, by an inspector of taxes.

Section 21 provides for the introduction of revised arrangements concerning payments to sub-contractors in the construction industry. These arrangements are being introduced because of the abuse of certificates issued under the present system. The new arrangements provide that sub-contractors will have tax deducted from payments made to them on or after 6 December, 1976, unless they obtain a certificate of authorisation entitling them to payment in full. A number of conditions must be satisfied before such certificates will

be issued. The conditions are designed to ensure that certificates will be issued only to those sub-contractors who comply with, and have been complying with, their tax obligations. Provision is made for the cancellation of certificates and for the imposition of substantial penalties in cases of fraud or evasion.

CHAPTER V

Benefits in kind

Section 22 provides that benefits in kind enjoyed by employees whose remuneration is derived from outside the State are to be charged to tax to the same extent as similar benefits enjoyed by employees whose remuneration arises within the State.

Section 23 quantifies the minimum benefit in kind, from the use of a car provided by an employer, at £300 per annum or, if greater, 15 per cent. of the cost of the car.

CHAPTER VI

Income Tax, Sur-Tax, Corporation Profits Tax and Capital Gains Tax

Section 24 provides that an Irish resident is to be chargeable to tax on the amount of any tax credit to which he is entitled under the agreement (contained in the Second Schedule to the Finance Act, 1973) made on 2 May, 1973, between the Government and the United Kingdom Government as extended by the agreement made on 3 June, 1975, which is contained in the Schedule to the Double Taxation Relief (Taxes on Income) (United Kingdom) Order, 1975 (S.I. No. 143 of 1975).

Section 25 exempts from tax the employment premiums paid to employers by the Minister for Labour under the Employment Premium Act, 1975.

Section 26 extends for a further year the period during which tax relief in respect of increases in value of trading stock may be claimed under section 31 of the Finance Act, 1975, by companies carrying on any of the trading activities specified in the section. (The relief is being made available to unincorporated traders by section 12 of the Bill.) The section also provides that where a deduction is claimed in respect of the increase in stock value for the additional year, the value of the trading stock at the beginning of the following year is to be treated as reduced by the amount of the deduction granted. Provision is made for adjustments in stock values to ensure uniformity in the method of valuing opening and closing stocks.

Section 27 exempts from the charge to corporation profits tax interest to banks from housing loans made by them pursuant to the scheme announced by the Minister for Finance on 26 June, 1975.

Section 28 provides that interest on unpaid wealth tax is not to be allowed in computing income, profits or losses for tax purposes.

Section 29 amends the existing provisions in relation to payments on account in cases where appeals are made against tax assessments. Broadly, it provides that where a taxpayer appeals against an assessment he must specify not only the grounds of the appeal but also the amount of tax which, in his opinion, is likely to be ultimately payable by him on determination of the appeal. The amount so specified will then be payable and will carry interest as if it were tax charged by an assessment in respect of which there was no appeal. If the amount specified is paid in due time and is not less than 80 per cent. of the tax ultimately payable on determination of the appeal, there will be no interest charge provided that the balance of the tax due is paid within the time specified. Any tax overpaid will be repaid with interest.

Section 30 raises from £2,500 to £3,500 the maximum figure by reference to which capital allowances in respect of motor cars are to be granted. The new maximum applies in relation to cars provided after 28 January, 1976.

Section 31 restricts, in certain cases, the amount of running expenses allowable as a deduction for tax purposes in respect of cars used for the purposes of a trade, profession or employment. Where the car costs more than £3,500 the amount of the expenses which would otherwise be allowed is to be reduced by one-third of the amount by which the cost of the car exceeds £3,500. If it is more favourable to the taxpayer, he may elect to have the amount of the expenses reduced in the proportion which the excess of the cost of the car over £3,500 bears to the cost of the car. The restriction applies to expenses incurred after 28 January, 1976.

Section 32 provides for the termination as from 6 April, 1976, of the tax exemption which applied to profits from exempted transactions of industrial and provident societies classified as agricultural and fishery societies under section 220 of the Income Tax Act, 1967. As from 6 April, 1976, these profits will be chargeable to corporation tax but as the Corporation Tax Bill, 1975, has not yet become law the charging provisions will be brought into the Finance Bill by way of Committee Stage amendments.

Section 33. Under section 6 of the Finance Act, 1968, any person who is carrying on a trade, etc. the profits of which are chargeable to tax under Schedule D is required to keep such records as will enable true returns to be made for tax purposes. The present section enables an inspector of taxes or other authorised officer to inspect such books and records on premises on which a trade (other than a banking business) is carried on.

PART II

CUSTOMS AND EXCISE

Section 34 defines an abbreviation used in Part II of the Act.

Section 35 provides for an increase in the excise duty and drawback on beer. The main rate of duty is increased by £18.548 the standard barrel, from £42.047 to £60.595.

Section 36 provides for an increase of £4.282 the proof gallon in the main rate of excise duty on spirits.

Section 37 provides for an increase of £0.618 the lb. in the rates of excise duty on tobacco.

Section 38 provides for increases varying between £0.562 per gallon and £1.124 per gallon in the rates of excise duty on wine and made wine.

Section 39 increases the duty on mineral hydrocarbon light oil (mainly petrol) by 9.36p per gallon and provides for a charge of 2p per gallon on all oils other than dutiable petrol and diesel.

Section 40 imposes a new excise duty at the rate of 2p per gallon on gaseous hydrocarbons in liquid form, and provides the necessary ancillary provisions for the new duty. This section also imposes the 10p per gallon rate to be introduced, at a date to be appointed by order, under section 41.

Section 41 provides for the introduction of the duty rate of 10p per gallon imposed by section 40 for gaseous hydrocarbons in liquid form intended to be used as motor vehicle fuel ('motor vehicle gas'). The section also provides the legal and administrative framework to implement the duty. It will come into operation on a date to be appointed by order.

Section 42 empowers the Revenue Commissioners to amend or revoke any Order made under Section 139 of Customs Consolidation Act, 1876 (under which the Revenue Commissioners may require the entry of goods about to be exported).

Section 43 increases the penalty for the irregular use of rebated hydrocarbon oil ('red oil') in road motor vehicles to £500 and provides for the forfeiture, in certain circumstances, of a vehicle in respect of which such an offence is committed.

Section 44 increases the indictable limit for customs proceedings in the District Court to £500.

Section 45 makes specific provision for customs entry of imported dutiable aircraft, ships, boats etc., and for payment of the appropriate duties; it also provides penalties for non-compliance with these requirements.

Section 46 confirms the following Orders:

(I) Imposition of Duties (No. 218) (Customs Duties and Form of Customs Tariff) Order, 1975—S.I. No. 127 of 1975.

The Order provided, in accordance with the Anglo-Irish Free Trade Area Agreement, for the tenth reduction of 10% in protective duties on British and Northern Ireland goods and for the same reduction in protective elements in certain revenue duties. The Order also provided for modified reductions in protective duties on certain goods of United Kingdom origin arising from the special arrangements agreed under Article 1 (5) of the Anglo-Irish Free Trade Area Agreement. In addition, some changes of a minor nature were made in the customs tariff.

(II) Imposition of Duties (No. 219) (Excise Duties and Form of Customs Tariff) Order, 1975—S.I. No. 131 of 1975.

The effect of this Order was:

(i) to continue the existing position whereby imports of industrial protective clothing may be admitted without payment of customs duty provided the goods originated in, or are in free circulation in, other Member States of the EEC, and

(ii) to charge customs duty at current Irish tariff rates to all other imports of such goods.

(III) Imposition of Duties (No. 221) (Excise Duties) Order, 1975—S.I. No. 307 of 1975.

This Order was designed to convert the fiscal customs duties or the fiscal element of such duties into excise duties with effect from 1 January, 1976, in accordance with the provisions of Article 38 (3) of the Act attached to the Treaty of Accession to the European Communities. The customs duties in question were those on spirits, beer, wine, tobacco, cider and perry, matches, table waters, oils, motor vehicles (including their parts and accessories) and tyres and tubes.

(IV) Imposition of Duties (No. 222) (Customs Duties and Form of Customs Tariff) Order, 1975—S.I. No. 320 of 1975.

This Order provided for the rates of customs duty to be applied to certain goods of United Kingdom and Northern Ireland origin. This Order also provided for the continuation of the provision, where required, for the reduction or remission of certain duties on motor vehicle accessories and parts, including tyres.

(V) Imposition of Duties (No. 223) (Footwear) Order, 1975—
S.I. No. 324 of 1975.

The effect of this Order was to increase with effect from 1 January, 1976, the customs duties on footwear subject to duty at Tariff heading number 64.02A.

PART III

STAMP DUTIES

Section 47 extends from two years to six years the time limit within which it is possible to claim refunds of stamp duty.

Section 48 extends the exemption from stamp duty to new houses which would have qualified for grants under the Local Government arrangements in force up to December 31, 1975. It also limits the exemption from stamp duty contained in Section 49 (3) of the Finance Act, 1969, to dispositions of houses by local authorities under the Housing Act, 1966.

PART IV

VALUE-ADDED TAX

Section 49 provides for the application with effect on and from 1 March, 1976, of those provisions of the Bill which have already come into operation in accordance with the Budget Resolution dealing with value-added tax.

Section 50 deals with definitions and is self-explanatory.

Section 51 is an anti-avoidance provision. It provides that a person will be deemed, for VAT purposes, to have delivered goods to himself where the goods became available to him tax-free (i.e. produced within his business or imported) and are applied by him within the business in such circumstances that, had the goods been acquired subject to tax, the tax thereon would not have been wholly deductible. Such would be the case if, for example, the goods were used wholly or partly for the purposes of an exempt business. The provision, which is designed to ensure equality of treatment, is wider than the existing self-delivery arrangements in that it extends to persons whose business would not otherwise be taxable.

Section 52 ensures that the amount on which VAT is chargeable, in relation to goods sold in bonded warehouses, will include an element equivalent to the customs or excise duty which would be payable if the goods were withdrawn from bond.

Section 53 alters the rates of VAT (with effect on and from 1 March, 1976) as follows:

- (a) 10 per cent. in relation to goods and services formerly liable at the 6.75 per cent. rate and to dances (formerly liable at 11.11 per cent.) and short-term car hire (formerly exempt);
- (b) 35 per cent. in relation to motor cars and motor cycles;
- (c) 40 per cent. in relation to goods other than motor cars and motor cycles formerly liable at the 36.75 per cent. rate;
- (d) 20 per cent. in relation to goods and services formerly liable at the 19.50 per cent. rate and to fur clothing (formerly zero-rated).

Where goods mentioned at (b) or (c) above are sold by a person other than a manufacturer or assembler of similar goods the 10 per cent. rate will apply by virtue of the operation of existing legal provisions.

The section also carries out certain amendments consequential on the rate changes and on the abolition of the special rate for dances.

Section 54 limits to 10 per cent. the amount of input tax deductible in respect of "Fourth Schedule" goods (motor cars, television sets, etc.) where the goods are—

- (a) obtained by way of "self-delivery",
- (b) acquired by a manufacturer or assembler of similar goods for use otherwise than as stock-in-trade, or
- (c) acquired by a person, other than a manufacturer or assembler of similar goods, for any purpose.

Section 55 up-dates the provision governing the valuation of imported goods for the purpose of applying VAT so as to take account of relevant EEC legislation governing customs duties.

Section 56 advances the date as from which interest may be calculated in relation to unpaid VAT covered by an official estimate. The new date will, as nearly as possible, be the same as that which would apply if no estimate had been made.

Section 57 provides that, in Court proceedings for penalties for breaches of VAT law, a certificate signed by an officer of the Revenue Commissioners certifying that it appears from the relevant records that a person is an accountable person, etc. will be accepted as *prima facie* evidence of the facts certified.

Section 58 amends the existing law relating to input tax deductions. At present an accountable person may, in most circumstances, deduct from the tax liability on his sales any tax charged to him on his purchases. In some cases, where input tax is not fully deductible, an apportionment may be made. This section will enable deductions and apportionments to be adjusted, in accordance with regulations, where a change occurs in the factors by reference to which the original calculations were made.

Section 59 amends the definition contained in section 34 of the Value-Added Tax Act, 1972, so as to ensure that, in calculating stock-in-trade, goods which are the subject of a self-delivery should not be included with goods held for delivery in the usual course of business.

Section 60 amends and consolidates the first four schedules to the Value-Added Tax Act, 1972, dealing with the tax classification of goods and services. The amendments incorporated are mainly consequential on the changes in rate classification announced in the Budget, for example, removal of the exemption for short-term car hire (First Schedule), removal of the zero rate for fur clothing (Second Schedule), the application of the 10 per cent. rate to dances (Third Schedule) and the sub-division of the Fourth Schedule into two rate categories.

Section 61 provides for various amendments to the Value-Added Tax Act, 1972, as set out in Part II of the First Schedule.

Section 62 provides that unpaid VAT will be a preferential debt in cases of bankruptcy, company winding-up and similar proceedings. To be eligible the tax must relate to taxable periods ending 12 months or less before the proceedings commence.

Section 63 provides transitional relief in respect of new motor cars and motor cycles which have already borne tax at the manufacturer or import level before 1 March, 1976, at the 36.75 per cent. rate.

In such cases, the 6.75 per cent. rate will continue to apply, up to and including 30 April, 1976, to any further sales of these vehicles by wholesalers and retailers.

PART V

EXCISE DUTIES ON MECHANICALLY PROPELLED VEHICLES

Sections 64 to 78 are designed to reduce evasion of road tax (vehicle excise duty) by conferring powers on the Government enabling the introduction of a system of continuous liability to this tax and by means of the strengthening of existing provisions and the increasing of existing penalties for offences relating to the registration and licensing of vehicles.

CHAPTER I

General

Section 64 is an interpretation and commencement provision.

Section 65 provides for the making of regulations by the Minister for Local Government pursuant to this Part (sections 64 to 79) of the Bill.

Section 66 provides for the general application of this Part of the Bill to mechanically propelled vehicles in respect of which road tax is chargeable, subject to the exemption from certain provisions of vehicles used under the authority of a trade licence.

Section 67 requires a person who keeps a vehicle to notify the relevant licensing authority of both the keeping of the vehicle and the transfer of his interest in the vehicle.

CHAPTER II

Liability for, and consequences of non-payment of, vehicle excise duty

Section 68 provides that the person most recently registered as the keeper of the vehicle shall be liable to payment of road tax on that vehicle. Any unpaid road tax shall be recoverable by the licensing authority as a simple contract debt. The licensing authority may issue a certificate, stating either or both (a) the amount of unpaid duty and (b) the name of the person registered as the keeper of the vehicle, which will be *prima facie* evidence in legal proceedings of the facts thereby certified; except in the case of vehicles to which continuous liability applies, it shall be a defence for the person so registered to prove that his vehicle had not been used during the relevant period.

Section 69 provides that the Government may, by order, specify the classes of vehicles to which continuous liability is to apply. A vehicle which is permanently incapable of being used, has been broken up or destroyed, has been exported permanently or has been stolen and not recovered shall cease to be subject to continuous liability.

Section 70 provides that, under the system of continuous liability, the person registered as the keeper of the vehicle shall be liable to road tax whether or not the vehicle is used in a public place. A person who acquires interest in a vehicle in respect of which a current road tax licence is in force shall not be liable to pay duty for the unexpired period of that licence. A motor dealer shall not be subject to continuous liability in respect of vehicles which he keeps in the course of his business.

Section 71 provides that both the user and the person registered as the keeper of the vehicle who authorises the use of the vehicle shall be subject to prosecution in respect of the unlicensed use of that vehicle. The user will be not responsible for such unlicensed use if he is the employee of the person keeping the vehicle and he can show that he was using the vehicle in obedience to express orders of that person.

Section 72 provides that, where a person is convicted of an offence under section 71 above, the court shall, in addition to any penalty which it may impose, order him to pay the arrears of road tax payable to the licensing authority on the date of conviction.

CHAPTER III

Miscellaneous

Section 73 provides that both the person registered as the keeper of the vehicle and the user of the vehicle shall be subject to prosecution if a current tax disc is not displayed in the prescribed manner while the vehicle is being used, parked or otherwise kept in a public place.

Section 74 confers on members of the Garda Síochána the power to issue a "ticket" or "fine on the spot" notice in respect of a suspected offence at section 73 above and provides that sections 2 and 3 of the Local Authorities (Traffic Wardens) Act, 1975, shall be construed with that section.

Section 75 provides that, in any proceedings for an offence under this Part of the Bill, the onus shall be on the defendant to show, where appropriate, the existence of a current road tax licence, that his vehicle was not subject to continuous liability or that he had not authorised the use of his vehicle.

Section 76 provides for a maximum fine of £100 in respect of any offence under this Part of the Bill.

Section 77 enables the fee for the issue of a duplicate registration book to be fixed from time to time by regulations made by the Minister for Local Government and increases from £20 to £100 the maximum fine payable in respect of an offence in relation to any regulations made under the Roads Act, 1920.

Section 78 provides that vehicles shall be subject to road tax if they are used in any public place rather than, as at present, on public roads. The term "public place" is defined.

Section 79 (subsections (1) to (3)) provides for revised annual rates of motor vehicle duty (road tax) for private cars from 1 March, 1976, as follows:—

£4 for each unit or part of a unit of horse-power in respect of cars not exceeding 8 horse-power;

£5 for each unit or part of a unit of horse-power in respect of cars exceeding 8 horse-power but not exceeding 12 horse-power;

£6 for each unit or part of a unit of horse-power in respect of cars exceeding 12 horse-power;

£22 for electrically propelled vehicles.

Taxis, hackneys, hearses and school buses are excluded from the variations and will continue to be taxed at their previous rates.

Subsection (4) provides that the proceeds of these variations in duty shall not be taken into account in determining the amount to be paid into the Road Fund in respect of motor vehicle duties and related charges.

PART VI

MISCELLANEOUS

Section 80 relates to the Capital Services Redemption Account. This section is in the same form as in previous years, and its purpose is twofold, viz.,

- (a) to adjust the provisional annuity for 30 years fixed last year so as to take account of actual expenditure on Voted Capital Services in 1975,

and

- (b) to fix provisionally a new annuity for 30 years in respect of the estimated expenditure in 1976 on Voted Capital Services.

Sections 81, 82 and 83 are self-explanatory.

*An Roinn Airgeadais,
Márta, 1976.*

Section 71 provides that both the person registered as the keeper of the vehicle and the user of the vehicle shall be subject to prosecution in respect of the offence if a current tax disc is not displayed in the prescribed manner while the vehicle is being used, parked or otherwise kept in a public place.

(a) to adjust the provisional annuity for 30 years fixed last year so as to take account of actual expenditure on Voted Capital Services in 1975.

(b) to fix provisionally a new annuity for 30 years in respect of the estimated expenditure in 1976 on Voted Capital Services.

CHAPTER III

Sections 81, 82 and 83 are self-explanatory.

Section 73 provides that both the person registered as the keeper of the vehicle and the user of the vehicle shall be subject to prosecution if a current tax disc is not displayed in the prescribed manner while the vehicle is being used, parked or otherwise kept in a public place.

Mide, 1976.

Section 74 confers on members of the Garda Síochána the power to issue a "ticket" or "fine on the spot" notice in respect of a suspected offence at section 73 above and provides that sections 2 and 3 of the Local Authorities (Traffic Wardens) Act, 1975, shall be construed with that section.

Section 75 provides that in any proceedings for an offence under this Part of the Bill, the onus shall be on the defendant to show, where appropriate, the existence of a current road tax licence, that his vehicle was not subject to continuous liability or that he had not authorized the use of his vehicle.

Section 76 provides for a maximum fine of £100 in respect of any offence under this Part of the Bill.

Section 77 enables the fee for the issue of a duplicate registration book to be fixed from time to time by regulations made by the Minister for Local Government and increases from £20 to £100 the maximum fine payable in respect of an offence in relation to any regulations made under the Roads Act, 1920.

Section 78 provides that vehicles shall be subject to road tax if they are used in any public place rather than, as at present, on public roads. The term "public place" is defined.

Section 79 (subsections (1) to (3)) provides for revised annual rates of motor vehicle duty (road tax) for private cars from 1 March, 1976, as follows:—

£4 for each unit or part of a unit of horse-power in respect of cars not exceeding 8 horse-power;

£5 for each unit or part of a unit of horse-power in respect of cars exceeding 8 horse-power but not exceeding 12 horse-power;

£6 for each unit or part of a unit of horse-power in respect of cars exceeding 12 horse-power;

£22 for electrically propelled vehicles.

Taxis, hackneys, hearses and school buses are excluded from the variations and will continue to be taxed at their previous rates.

Subsection (4) provides that the proceeds of these variations in duty shall not be taken into account in determining the amount to be paid into the Road Fund in respect of motor vehicle duties and related charges.