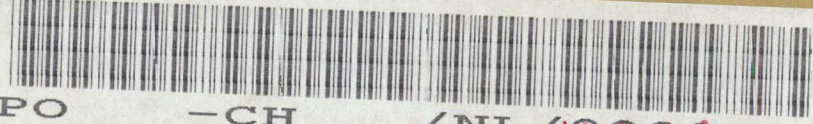


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PART A

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PART A

1984 BUDGET RESOLUTIONS

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PART A

BUDGET SECRET

5 MAR 1984

FROM: F MARTIN

DATE: 5 March 1984

CHIEF SECRETARY

cc PS/Chancellor
PS/Financial Secretary
PS/Economic Secretary
PS/Minister of State
Sir P Middleton ✓
Mr Cassell
Mr Battishill
Mr Monger
Mr Griffiths
Mr R I G Allen

F BUDGET RESOLUTIONS

Attached is the first print of the Budget Resolutions. If there are any comments it would be helpful to have them early tomorrow morning. You will see that at one or two places Parliamentary Counsel has drafted on a contingency basis pending Ministerial decisions.

F. Martin

F MARTIN

BUDGET SECRET

BUDGET—SECRET

**DRAFT
RESOLUTIONS TO BE MOVED BY
THE CHANCELLOR OF THE
EXCHEQUER**

13th MARCH 1984

BUDGET—SECRET

BUDGET—SECRET

Mr, Chancellor of the Exchequer

PROVISIONAL COLLECTION OF TAXES: That pursuant to section 5 of the Provisional Collection of Taxes Act 1968 provisional statutory effect shall be given to the following Motions :—

- (a) Spirits (Motion No. 2)
- (b) Beer (Motion No. 3)
- (c) Wine and made-wine (Motion No. 4)
- (d) Cider (Motion No. 5)
- (e) Tobacco products (Motion No. 6)
- (f) Hydrocarbon oil (Motion No. 7)
- (g) Vehicles excise duty (Motion No. 8)

BUDGET—SECRET

BUDGET—SECRET

ARRANGEMENT OF WAYS AND MEANS RESOLUTIONS

1. Amendment of the law.
2. Spirits.
3. Beer.
4. Wine and made-wine.
5. Cider.
6. Tobacco products.
7. Hydrocarbon oil.
8. Vehicles excise duty.
9. Gaming licence duty.
10. Gaming machine licence duty.
11. Free zones.
12. Entry on importation.
13. Restriction of zero-rating (food).
14. Restriction and removal of zero-rating (books, etc., newspaper advertisements and news services).
15. Restriction of zero-rating (construction of buildings, etc.).
16. Zero-rating (supplies outside the United Kingdom).
17. Customs and excise duty and value added tax (reliefs).
18. Car tax and value added tax (distress and pouding).
19. Income tax (charge and rates for 1984–85).
20. Income tax (personal reliefs).
21. Relief for interest (limit for 1984–85).
22. Corporation tax (charge and rate for financial year 1983).
23. Corporation tax (reducing fraction for chargeable gains).
24. Advance corporation tax (rate for financial year 1984).
25. Corporation tax (small companies).
26. Relief for interest: bridging loans.
27. Life assurance premium relief.
28. Insurance policies.
29. Reduction and abolition of certain reliefs in relation to foreign earnings and emoluments.
30. Benefits in kind: scholarships.
31. Share options.
32. Business expansion scheme.
33. Schedule B.
34. Groups and consortia.
35. Stock relief.
36. Deep discount securities.
37. Grants under Industrial Development (Northern Ireland) Order 1982.
38. Territorial extension of tax.
39. Initial and first-year allowances.
40. Capital gains.
41. Oil exploration and exploitation activities.
42. Controlled foreign companies.

BUDGET—SECRET

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43. Offshore funds.
44. Capital transfer tax.
45. Reduction of stamp duty on conveyances and leases.
46. Stamp duty: sub-sales.
47. Stamp duty: agreements for leases.
48. Stamp duty: sale of houses at discount by certain bodies.
49. Oil taxation (reliefs for expenditure and losses).
50. Oil taxation (payments for minimum delivery and capacity payments).
51. Relief from tax (incidental and consequential charges).

BUDGET—SECRET

BUDGET—SECRET

1. Amendment of the law

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

- (a) for zero-rating or exempting any supply;
- (b) for refunding any amount of tax, otherwise than by a provision relating to supplies to, and importation by, a government department within the meaning of section 27 of the Value Added Tax Act 1983;
- (c) for varying the rate of that tax otherwise than in relation to all supplies and importations;
or
- (d) for any relief other than relief applying to goods of whatever description or services of whatever description.

BUDGET—SECRET

BUDGET—SECRET

2. Spirits

That as from 14th March 1984, the rate of duty specified in section 5 of the Alcoholic Liquor Duties Act 1979 shall be increased from £15·19 per litre of alcohol in the spirits to £15·48 per litre of alcohol in the spirits.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

3. Beer

That, as from 14th March 1984, the rates of duty specified in section 36 of the Alcoholic Liquor Duties Act 1979 shall be increased—

- (a) from £21·60 for each hectolitre to £24·00 for each hectolitre; and
- (b) from £0·72 for each additional degree of original gravity exceeding 1030 degrees to £0·80 for each such additional degree.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

4. Wine and made-wine

That, as from 14th March 1984, the rates of duty under sections 54 and 55 of the Alcoholic Liquor Duties Act 1979 shall be as follows—

Description of wine or made-wine	Rates of duty per hectolitre
	£
(1) Wine or made wine of a strength of less than 15 per cent and not being sparkling	90.50
(2) Sparkling wine or sparkling made-wine of a strength of less than 15 per cent	149.40
(3) Wine or made-wine of a strength of not less than 15 per cent but not exceeding 18 per cent	157.50
(4) Wine or made-wine of a strength exceeding 18 per cent but not exceeding 22 per cent	183.30
(5) Wine or made-wine of a strength exceeding 22 per cent ...	183.30 plus £15.48 for every 1 per cent or part of 1 per cent in excess of 22 per cent.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

5. Cider

That, as from 14th March 1984,—

- (a) the rate of duty specified in section 62(1) of the Alcoholic Liquor Duties Act 1979 shall be increased from £9·69 per hectolitre to £14·28 per hectolitre; and
- (b) in the definition of “cider” in section 1(6) of that Act for the words “strength less than 8·7 per cent.” there shall be substituted “strength less than 8·5 per cent.”.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

6. Tobacco products

That, as from 16th March 1984, for the Table in Schedule 1 to the Tobacco Products Duty Act 1979 there shall be substituted—

“ TABLE

1. Cigarettes	...	...	...	...	An amount equal to 21 per cent. of the retail price plus £22·99 per thousand cigarettes.
2. Cigars	...	...	...	...	£43·34 per kilogram.
3. Hand-rolling tobacco	...	...	...	...	£3·49 per kilogram.
4. Other smoking tobacco and chewing tobacco	...	...	...	...	£24·95 per kilogram.”

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

7. Hydrocarbon oil

That, as from 6 o'clock in the evening of 13th March 1984.—

(1) the rates of duty specified in section 6(1) of the Hydrocarbon Oil Duties Act 1979 shall be increased—

(a) in the case of light oil, from £0·1630 a litre to £0·1716 a litre; and

(b) in the case of heavy oil, from £0·1382 a litre to £0·1448 a litre; and

(2) in section 11(1)(a) of that Act (rebate on kerosene, other than aviation turbine fuel) for the words “of £0·0022 a litre less than” there shall be substituted the words “equal to”.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

8. Vehicles excise duty

That the Vehicles (Excise) Act 1971 and the Vehicles (Excise) Act (Northern Ireland) 1972 shall have effect with the amendments set out below.

But this Resolution shall not authorise the making of amendments which would result in different provisions being in force in different parts of Great Britain.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

(1) In the said Acts of 1971 and 1972, for the provisions of Part II of Schedules 1 to 5 (annual rates of duty) there shall be substituted the provisions set out below:

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 1 TO ACT OF 1971 AND ACT OF 1972

Description of vehicle	Rate of duty
	£
1. Bicycles and tricycles of which the cylinder capacity of the engine does not exceed 150 cubic centimetres	9.00
2. Bicycles of which the cylinder capacity of the engine exceeds 150 cubic centimetres but does not exceed 250 cubic centimetres; tricycles (other than those in the foregoing paragraph) and vehicles (other than mowing machines) with more than three wheels, being tricycles and vehicles neither constructed nor adapted for use nor used for the carriage of a driver or passenger	18.00
3. Bicycles and tricycles not in the foregoing paragraphs	36.00

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 2 TO THE ACT OF 1971 AND ACT OF 1972

Description of vehicle	Rate of duty
Hackney carriages	£ 45.00 with an additional 90p for each person above 20 (excluding the driver) for which the vehicle has seating capacity.

BUDGET—SECRET

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 3 TO ACT OF 1971 AND ACT OF 1972

1. Description of vehicle	Weight unladen of vehicle		Rate of duty	
	2. Exceeding	3. Not exceeding	4. Initial	5. Additional for each ton or part of a ton in excess of the weight in column 2
1. Agricultural machines; digging machines; mobile cranes; works trucks; mowing machines; fishermen's tractors	—	—	£ 15.00	£ —
2. Haulage vehicles, being showmen's vehicles	— 7½ tons 8 tons 10 tons	7¼ tons 8 tons 10 tons —	144.00 172.00 203.00 203.00	— — — 31.00
3. Haulage vehicles, not being showmen's vehicles	— 2 tons 4 tons 6 tons 7½ tons 8 tons 9 tons 10 tons 11 tons	2 tons 5 tons 6 tons 7½ tons 8 tons 9 tons 10 tons 11 tons —	171.00 308.00 445.00 581.00 710.00 831.00 951.00 1,088.00 1,088.00	— — — — — — — — 136.00

BUDGET—SECRET

BUDGET—SECRET

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 4 TO ACT OF 1971 AND ACT OF 1972

TABLE A

RATES OF DUTY ON RIGID GOODS VEHICLES EXCEEDING 12 TONNES PLATED GROSS WEIGHT

GENERAL RATES

Plated gross weight of vehicle		Rate of duty		
1. Exceeding	2. Not exceeding	3. Two axle vehicle	4. Three axle vehicle	5. Four or more axle vehicle
tonnes	tonnes	£	£	£
12	13	410	320	320
13	14	530	340	340
14	15	640	340	340
15	17	850	340	340
17	19	—	460	340
19	21	—	610	340
21	23	—	780	490
23	25	—	1,250	690
25	27	—	—	930
27	29	—	—	1,200
29	30.49	—	—	2,100

TABLE A(1)

RATES OF DUTY ON RIGID GOODS VEHICLES EXCEEDING 12 TONNES PLATED GROSS WEIGHT

RATES FOR FARMERS' GOODS VEHICLES

Plated gross weight of vehicle		Rate of duty		
1. Exceeding	2. Not exceeding	3. Two axle vehicle	4. Three axle vehicle	5. Four or more axle vehicle
tonnes	tonnes	£	£	£
12	13	140	125	125
13	14	150	125	125
14	15	155	125	125
15	17	195	135	125
17	19	—	145	125
19	21	—	160	135
21	23	—	170	145
23	25	—	230	160
25	27	—	—	190
27	29	—	—	225
29	30.49	—	—	360

BUDGET—SECRET

BUDGET—SECRET

TABLE A(2)
 RATES OF DUTY ON RIGID GOODS VEHICLES EXCEEDING 12 TONNES PLATED GROSS WEIGHT
 RATES FOR SHOWMEN'S GOODS VEHICLES

Plated gross weight of vehicle		Rate of duty		
1. Exceeding	2. Not Exceeding	3. Two axle vehicle	4. Three axle vehicle	5. Four or more axle vehicle
tonnes	tonnes	£	£	£
12	13	140	125	125
13	14	150	125	125
14	15	155	125	125
15	17	195	135	125
17	19	—	145	130
19	21	—	170	145
21	23	—	185	170
23	25	—	270	190
25	27	—	—	230
27	29	—	—	280
29	30.49	—	—	455

TABLE B
 SUPPLEMENTARY RATES OF DUTY ON RIGID GOODS VEHICLES OVER 12 TONNES USED FOR
 DRAWING TRAILERS EXCEEDING 4 TONNES PLATED GROSS WEIGHT
 GENERAL RATES

Gross weight of trailer		Duty supplement
Exceeding	Not exceeding	
tonnes	tonnes	£
4	8	75
8	10	95
10	12	120
12	14	170
14	—	330

BUDGET—SECRET

BUDGET—SECRET

TABLE B(1)
 SUPPLEMENTARY RATES OF DUTY ON RIGID GOODS VEHICLES OVER 12 TONNES USED FOR
 DRAWING TRAILERS EXCEEDING 4 TONNES PLATED GROSS WEIGHT
 RATES FOR FARMERS' GOODS VEHICLES

Gross weight of trailer		Duty supplement
Exceeding	Not exceeding	
tonnes	tonnes	£
4	8	75
8	10	95
10	12	120
12	14	170
14	—	330

TABLE B(2)
 SUPPLEMENTARY RATES OF DUTY ON RIGID GOODS VEHICLES OVER 12 TONNES USED FOR
 DRAWING TRAILERS EXCEEDING 4 TONNES PLATED GROSS WEIGHT
 RATES FOR SHOWMEN'S GOODS VEHICLES

Gross weight of trailer		Duty supplement
Exceeding	Not exceeding	
—	—	£ 75

BUDGET—SECRET

TABLE C
 RATES OF DUTY ON TRACTOR EXCEEDING 12 TONNES PLATED TRAIN WEIGHT
 AND HAVING ONLY 2 AXLES
 GENERAL RATES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	14	470	420	420
14	16	590	440	440
16	18	690	440	440
18	20	810	440	440
20	22	940	550	440
22	23	1,000	620	440
23	25	1,150	780	440
25	26	1,150	870	530
26	28	1,150	1,090	720
28	29	1,210	1,210	820
29	31	1,680	1,680	1,050
31	33	2,450	2,450	1,680
33	34	2,450	2,450	2,250
34	36	2,750	2,750	2,750
36	38	3,100	3,100	3,100

BUDGET—SECRET

TABLE C(1)

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES PLATED TRAIN WEIGHT
AND HAVING ONLY 2 AXLES

RATES FOR FARMERS' GOODS VEHICLES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	14	145	140	140
14	16	160	140	140
16	18	170	140	140
18	20	175	140	140
20	22	185	145	140
22	23	190	155	140
23	25	210	165	145
25	26	210	170	155
26	28	210	190	175
28	29	210	205	185
29	31	280	280	220
31	33	395	395	320
33	34	750	750	750
34	36	905	905	905
36	38	1,020	1,020	1,020

BUDGET—SECRET

BUDGET—SECRET

TABLE C(2)
 RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES PLATED TRAIN WEIGHT
 AND HAVING ONLY 2 AXLES
 RATES FOR SHOWMEN'S GOODS VEHICLES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	14	145	140	140
14	16	160	140	140
16	18	170	140	140
18	20	180	155	155
20	22	205	165	165
22	23	220	170	170
23	25	250	190	175
25	26	250	205	185
26	28	250	240	215
28	29	260	260	230
29	31	355	355	275
31	33	495	495	405
33	34	925	925	925
34	36	1,125	1,125	1,125
36	38	1,265	1,265	1,265

BUDGET—SECRET

TABLE D
 RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES PLATED TRAIN WEIGHT
 AND HAVING 3 OR MORE AXLES

GENERAL RATES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	14	420	420	420
14	20	440	440	440
20	22	550	440	440
22	23	620	440	440
23	25	780	440	440
25	26	870	440	440
26	28	1,090	440	440
28	29	1,210	520	440
29	31	1,680	640	440
31	33	2,450	970	440
33	34	2,450	1,420	550
34	36	2,450	2,030	830
36	38	2,730	2,730	1,240

BUDGET—SECRET

TABLE D(1)
 RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES PLATED TRAIN WEIGHT
 AND HAVING 3 OR MORE AXLES
 RATES FOR FARMERS' GOODS VEHICLES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	20	140	140	140
20	22	145	140	140
22	23	150	140	140
23	25	165	140	140
25	26	170	145	140
26	28	190	170	155
28	29	205	180	165
29	31	280	215	195
31	33	395	315	230
33	34	470	470	285
34	36	670	670	430
36	38	900	900	650

BUDGET—SECRET

TABLE D(2)
 RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES PLATED TRAIN WEIGHT
 AND HAVING 3 OR MORE AXLES
 RATES FOR SHOWMEN'S GOODS VEHICLES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	18	140	140	140
18	20	145	145	140
20	22	165	160	140
22	23	170	165	140
23	25	190	170	155
25	26	205	180	165
26	28	240	210	180
28	29	260	225	200
29	31	355	270	240
31	33	495	395	290
33	34	580	580	355
34	36	830	830	540
36	38	1,115	1,115	805

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 5 TO ACT OF 1971 AND ACT OF 1972

Description of vehicle	Rate of duty
	£
1. Vehicles first registered under the Roads Act 1920 before 1st January 1947, or which, if its first registration for taxation purposes had been effected in Northern Ireland would have been so first registered as aforesaid under the Act as in force in Northern Ireland	60.00
2. Other vehicles	90.00

BUDGET—SECRET

(2) In subsection (5) of section 16 of the Act of 1971 (rates of duty for trade licences), including that subsection as set out in paragraph 12 of Part I of Schedule 9 to that Act, for “£42” and “£8·50” there shall be substituted, respectively, “£44” and “£9”.

(3) In subsection (6) of section 16 of the Act of 1972 (rates of duty for trade licences), including that subsection as set out in paragraph 12 of Part I of Schedule 9 to that Act, for “£42” and “£8·50” there shall be substituted, respectively, “£44” and “£9”.

(4) In Part I of Schedule 4 to the Acts of 1971 and 1972 (annual rates of duty on goods vehicles: general provisions)—

- (a) in paragraph 1(1), for “£150” there shall be substituted “£130”;
- (b) in paragraph 2, for “£320” there shall be substituted “£290”;
- (c) in paragraph 6(1), for “£63” there shall be substituted “£67”; and
- (d) in paragraph 7, for “£85” there shall be substituted “£90”.

BUDGET—SECRET

BUDGET—SECRET

9. Gaming licence duty

That, for the purposes of gaming licence duty charged on gaming licences for any period beginning after 31st March 1984, the following Table shall be substituted for the Table set out in section 14(1) of the Betting and Gaming Duties Act 1981—

TABLE

<i>Part of gross gaming yield</i>	<i>Rate</i>
The first £375,000	2½ per cent.
The next £1,875,000	12½ per cent.
The next £2,250,000	25 per cent.
The remainder	33½ per cent.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

10. Gaming machine licence duty

That provision may be made modifying the periods for which whole-year gaming machine licences are to be granted.

BUDGET—SECRET

BUDGET—SECRET

11. Free zones

That provision may be made in connection with goods which are or have been within any area designated as a special area for customs purposes.

BUDGET—SECRET

BUDGET—SECRET

12. Entry on importation

That provision may be made modifying the effect of section 43 of the Customs and Excise Management Act 1979.

BUDGET—SECRET

BUDGET—SECRET

13. Restriction of zero-rating (food)

That, with respect to supplies made on or after 1st May 1984, in Schedule 5 to the Value Added Tax Act 1983, Note (3) in Group 1 (Food) shall be amended by inserting “(a)” after the word “includes” and by adding at the end “and

(b) any supply of hot food for consumption off those premises;

and for the purpose of paragraph (b) above ‘hot food’ means food which, or any part of which,—

- (i) has been heated for the purpose of enabling it to be consumed at a temperature above the ambient air temperature; and
- (ii) is at the time of the supply above that temperature”:

But this Resolution shall not authorise the making of amendments that would make valued added tax chargeable at a rate other than either nil or the rate specified in section 9 of the Value Added Tax Act 1983.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

14. Restriction and removal of zero-rating (books, etc., newspaper advertisements and news services)

That, with respect to supplies made on or after 1st April 1984, Schedule 5 to the Value Added Tax Act 1983 shall be amended as follows:—

(1) For Group 3 (Books etc.) there shall be substituted—

“GROUP 3—PRINTED BOOKS

Item No.

1. Printed books.

Notes:

- (1) This does not include—
 - (a) magazines, journals or periodicals; or
 - (b) catalogues or brochures; or
 - (c) books which are designed with a view that anything should be put in or on any of the pages thereof (whether by writing, colouring, drawing, the insertion or addition of objects or in any other way whatsoever); or
 - (d) books which are designed with a view that any part thereof should be removed, but excluding loose leaf books, the content of which is intended to be revised by the replacement or removal of pages; or
 - (e) books of plans or drawings for industrial, architectural, engineering, commercial or similar purposes.
- (2) This item includes the supply of the services described in paragraph 1(1) of Schedule 2 to this Act in respect of goods comprised in the item.”
- (2) Group 5 (newspaper advertisements) shall be omitted.
- (3) Group 6 (news services) shall be omitted.

This Resolution shall not authorise the making of amendments that would make value added tax chargeable at a rate other than either nil or the rate specified in section 9 of the Value Added Tax Act 1983.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

15. Restriction of zero-rating (construction of buildings, etc.)

That, with respect to supplies made on or after 1st June 1984, in Schedule 5 to the Value Added Tax Act 1983, Group 8 (construction of buildings, etc.) shall be amended as follows:—

(1) In item 2 (supply of services in the course of certain operations relating to buildings and civil engineering works), for paragraph (a) and (b) there shall be substituted the words “in the course of the construction or demolition of”.

(2) After Note (1) there shall be inserted the following Note:—

“(1A) Any reference in item 2 or the following Notes to the construction of any building or the construction of any civil engineering work does not include a reference to the conversion, reconstruction, alterations or enlargement of any existing building or civil engineering work, and the reference in item 1 to a person constructing a building shall be construed accordingly.”

(3) In Note (2) (matters excluded from item 2), for paragraph (a) (which excluded repair or maintenance and is rendered unnecessary by the removal from item 2 of the reference to alteration) there shall be substituted the following paragraph:—

“(a) the supply of any services in the course of the construction of any building (“the secondary building”) within the grounds or garden of another building (“the main building”) which is used or to be used wholly or mainly as a private residence except—

- (i) where the secondary building is itself to be so used; or
- (ii) where the secondary building is a garage which is to be used and occupied together with another building which is being constructed at the same time as the secondary building and which is either the main building or another secondary building which is to be used wholly or mainly as a private residence.”

(4) In Note 2—

- (a) in paragraph (b), the words “or alteration”, and
 - (b) paragraph (c) (supply of services otherwise than in the course or furtherance of a business),
- shall be omitted.

(5) After Note 2 there shall be inserted the following Note:—

“(2A) In item 3, the goods referred to in paragraph (a) do not include—

- (a) finished or prefabricated furniture, other than furniture designed to be fitted in kitchens; or
- (b) materials for the construction of fitted furniture, other than kitchen furniture; or
- (c) domestic electrical or gas appliances, other than those designed to provide space heating or water heating or both.”

This Resolution shall not authorise the making of amendments that would make value added tax chargeable at a rate other than either nil or the rate specified in section 9 of the Value Added Tax Act 1983.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

16. Zero-rating (supplies outside the United Kingdom)

That provision may be made for removing from section 16(5) of the Value Added Tax Act 1983 references to the supply of goods or services outside the United Kingdom.

BUDGET—SECRET

BUDGET—SECRET

17. Customs and excise duty and value added tax (reliefs).

That—

(1) For section 7 of the Customs and Excise Duties (General Reliefs) Act 1979 (relief from customs or excise duty on imported legacies) there shall be substituted—

“Power to provide for reliefs from duty and value added tax in respect of imported legacies.”

7.—(1) The Commissioners may by order make provision for conferring reliefs from duty and value added tax in respect of goods imported into the United Kingdom by or for any person who has become entitled to them as legatee.

(2) Any such relief may take the form either of an exemption from payment of duty and tax or of a provision whereby the sum payable by way of duty or tax is less than it would otherwise be.

(3) The Commissioners may by order make provision supplementing any Community relief, in such manner as they think necessary or expedient.

(4) An order under this section—

(a) may make any relief for which it provides, or any Community relief, subject to conditions, including conditions which are to be complied with after the importation of the goods to which the relief applies;

(b) may, in relation to any relief conferred by order made under this section, contain such incidental and supplementary provisions as the Commissioners think necessary or expedient; and

(c) may make different provision for different cases.

(5) In this section—

“Community relief” means any relief which is conferred by a Community instrument and is of a kind which could otherwise be conferred by order made under this section;

“duty” means customs or excise duty chargeable on goods imported into the United Kingdom and, in the case of excise duty, includes any addition to the duty by virtue of section 1 of the Excise Duties (Surcharges or Rebates) Act 1979;

“legatee” means any person taking under a testamentary disposition or donatio mortis causa or on an intestacy; and

“value added tax” means value added tax chargeable on the importation of goods.”

(2) Section 13 of the Customs and Excise Duties (General Reliefs) Act 1979 (orders providing for personal reliefs from duties etc.) shall be amended as follows—

(a) after subsection (1) there shall be inserted the following subsection—

“(1A) The Commissioners may by order make provision supplementing any Community relief, in such manner as they think necessary or expedient.”;

(b) in subsection (3)(a), after the word “provides” there shall be inserted the words “, or any Community relief”;

(c) in subsection (3)(b), after the word “may” there shall be inserted the words “, in relation to any relief conferred by order made under this section,”; and

(d) in subsection (4) there shall be inserted at the appropriate place—

““Community relief” means any relief which is conferred by a Community instrument and is of a kind, or of a kind similar to that, which could otherwise be conferred by order made under this section;”.

(3) In section 17 of the Custom and Excise Duties (General Reliefs) Act 1979 (parliamentary control of orders and regulations)—

(a) in subsection (3), after the figure “4” there shall be inserted “, 7”; and

(b) in subsection (4), after the figure “13” there shall be inserted “(1)”.

BUDGET—SECRET

BUDGET—SECRET

(4) In the Isle of Man Act 1979—

- (a) in section 8 (removal of goods from Isle of Man to United Kingdom), in subsection (3), the words “or under any Community instrument” shall be inserted after the words “imported goods)” and the words “or under the Community instrument in question” shall be added at the end; and
- (b) in section 9 (removal of goods from United Kingdom to Isle of Man), in subsection (5), the words “or under any Community instrument” shall be added at the end.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

18. Car tax and value added tax (distress and pinding)

That provision may be made empowering the imposition and recovery of costs, charges, expenses and fees in connection with anything done under regulation relating to the levying of distress or pinding of corporeal movables in connection with unpaid car tax and value added tax and amounts recoverable as if they were value added tax.

BUDGET—SECRET

BUDGET—SECRET

19. Income tax (charge and rates for 1984–85)

That—

- (1) Income tax for the year 1984–85 shall be charged at the basic rate of 30 per cent., and—
- (a) in respect of so much of an individual's total income as exceeds £15,400 (the basic rate limit as determined under subsection (4) of section 24 of the Finance Act 1980—indexation) at such higher rates as are specified in the Table below (in which the higher rate bands are those as so determined); and
- (b) in respect of any sum which, by virtue of any provision of Part III of the Finance Act 1973 or Chapter I of Part III of the Finance Act 1974, is chargeable at the additional rate, as defined for the purposes of that provision, at the additional rate of 15 per cent.

TABLE

<i>Part of excess over £15,400</i>									<i>Higher rate</i>
The first £2,800	...	...	...	...	...	...	...	...	40 per cent.
The next £4,900	...	...	...	...	...	...	...	...	45 per cent.
The next £7,500	...	...	...	...	...	...	...	...	50 per cent.
The next £7,500	...	...	...	...	...	...	...	...	55 per cent.
The remainder	...	...	...	...	...	...	...	...	60 per cent.

(2) This Resolution shall not require any change to be made in the amounts deductible or repayable under section 204 of the Income and Corporation Taxes Act 1970 (pay as you earn) before 11th May 1984.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

20. Income tax (personal reliefs)

That—

(1) Section 24(5) of the Finance Act 1980 (increase of personal reliefs) shall not apply for the year 1984–85.

(2) In section 8 of the Income and Corporation Taxes Act 1970 (personal reliefs)—

(a) in subsection (1)(a) (married) for “£2,795” there shall be substituted “£3,145”;

(b) in subsection (1)(b) (single) and (2) (wife’s earned income relief) for “£1,785” there shall be substituted “£2,005”;

(c) in subsection (1A) (age allowance) for “£3,755” and “£2,360” there shall be substituted “£3,955” and “£2,490” respectively;

(d) in subsection (1B) (income limit for age allowance) for “£7,600” there shall be substituted “£8,100”.

(3) This Resolution shall not require any change to be made in the amounts deductible or repayable under section 204 of the Income and Corporation Taxes Act 1970 (pay as you earn) before 11th May 1984.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

21. Relief for interest (limit for 1984-85)

That, for the year 1984-85—

(1) The limit imposed by paragraph 5 of Schedule 1 to the Finance Act 1974 shall, subject to any reduction to be made under that paragraph, be the same as for the year 1983-84, that is to say, £30,000 and, accordingly, for any reference in sub-paragraph (1) of that paragraph to £25,000 there shall continue to be substituted a reference to £30,000.

(2) For any reference in paragraph 24(3) of that Schedule to £25,000 there shall, as for the year 1983-84, be substituted a reference to £30,000.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

22. Corporation tax (charge and rate for financial year 1983)

That corporation tax shall be charged for the financial year 1983 at the rate of 50 per cent.

BUDGET—SECRET

BUDGET—SECRET

23. Corporation tax (reducing fraction for chargeable gains)

That, as from 1st April 1983, the fraction by which, under section 93(2) of the Finance Act 1972, chargeable gains are to be reduced before they are for the purposes of corporation tax included in the profits of a company shall be two fifths.

BUDGET—SECRET

BUDGET—SECRET

24. Advance corporation tax (rate for financial year 1984)

That the rate of advance corporation tax for the financial year 1984 shall be three-sevenths.

BUDGET—SECRET

BUDGET—SECRET

25. Corporation tax (small companies)

That—

- (a) the small companies rate for the financial year 1983 shall be 30 per cent.; and
- (b) the fraction by reference to which corporation tax charged on income is reduced under section 95(2) of the Finance Act 1972 shall for that financial year be one-twentieth.

BUDGET—SECRET

BUDGET—SECRET

26. Relief for interest: bridging loans

That, for the year 1984-85 and subsequent years of assessment, in paragraph 6 of Schedule 1 to the Finance Act 1974 (continuing relief for an existing home loan where the borrower raises a new loan to purchase another home in which he takes up residence) after sub-paragraph (1) there shall be inserted the following sub-paragraph:—

“(1A) Where Part I of Schedule 9 to the Finance Act 1972 continues to apply to a loan by virtue of sub-paragraph (1)(a) above, paragraph 5 above shall also continue to have effect in relation to the loan as if that Part applied to it by virtue of paragraph 4(1)(a) above.”

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

27. Life assurance premium relief

That provision may be made withdrawing relief under section 19 of the Income and Corporation Taxes Act 1970 with respect to policies issued in respect of insurances made after 13th March 1984 and for the recovery of any relief given in respect of premiums under such policies.

BUDGET—SECRET

BUDGET—SECRET

28. Insurance policies

That provision may be made—

- (a) extending, with effect from 22nd August 1983, the provisions of section 30 of the Finance Act 1980 disqualifying certain policies of life insurance from being qualifying policies;
- (b) restricting the cases in which a policy of life insurance may be a qualifying policy where the policy—
 - (i) is issued in respect of an insurance made after 17th November 1983, and
 - (ii) is so issued by a company resident outside the United Kingdom;
- (c) amending paragraph 9(3)(a) of Schedule 1 to the Income and Corporation Taxes Act 1970 (substituted and varied policies), with respect to policies issued after 22nd February 1984;
- (d) varying the application of Chapter III of Part XIV of that Act (chargeable events) in relation to a policy issued by a company resident outside the United Kingdom where the policy is either—
 - (i) a policy of life insurance issued in respect of insurance made after 17th November 1983, or
 - (ii) a capital redemption policy issued in respect of an insurance made after 22nd February 1984; and
- (e) restricting the cases where the maturity of a policy of life insurance is not a chargeable event for the purposes of Chapter III of the said Part XIV.

BUDGET—SECRET

BUDGET—SECRET

29. Reduction and abolition of certain reliefs in relation to foreign earnings and emoluments

That provision may be made—

- (a) reducing the relief from income tax provided by section 23(3) of the Finance Act 1974, paragraph 3 of Schedule 2 to that Act, paragraphs 2 and 3 of Schedule 7 to the Finance Act 1977 and section 27 of the Finance Act 1978; and
- (b) abolishing the relief from income tax provided by section 188(2)(a) of the Income and Corporation Taxes Act 1970.

BUDGET—SECRET

BUDGET—SECRET

30. Benefits in kind: scholarships

That charges to income tax may be imposed by provisions amending section 20 of the Finance Act 1983 (scholarships).

BUDGET—SECRET

BUDGET—SECRET

31. Share options

That provision may be made in relation to share options.

BUDGET—SECRET

BUDGET—SECRET

32. Business expansion scheme

That provision may be made excluding farming from the trades which are treated as qualifying trades for the purposes of Schedule 5 to the Finance Act 1983.

BUDGET—SECRET

BUDGET—SECRET

33. Schedule B

That provision may be made amending section 92 of the Income and Corporation Taxes Act 1970 so far as it relates to the circumstances in which a person is deemed to be the occupier of woodlands for the purposes of Schedule B.

BUDGET—SECRET

BUDGET—SECRET

34. Groups and consortia

That, provision may be made—

- (a) varying the circumstances in which a company is owned by a consortium and in which a company is a member of a consortium; and
- (b) varying the basis of apportionment applied under section 262(2) of the Taxes Act where, otherwise than at the end of an accounting period, a company becomes or ceases to become a member of a group or begins or ceases to fulfil the conditions for relief for a consortium.

BUDGET—SECRET

BUDGET—SECRET

35. Stock relief

That provision may be made ending the relief provided by Schedule 9 to the Finance Act 1981 as from 13th March 1984.

BUDGET—SECRET

BUDGET—SECRET

36. Deep discount securities

That charges to income tax, capital gains tax and corporation tax may be imposed by provisions relating to certain redeemable securities issued at a price less than the amount payable on their redemption.

BUDGET—SECRET

BUDGET—SECRET

37. Grants under Industrial Development (Northern Ireland) Order 1982

That provision may be made amending section 42 of the Finance Act 1980 (grants under Industry Act 1972 etc.) with respect to payments made by way of grant under the Industrial Development (Northern Ireland) Order 1982.

BUDGET—SECRET

BUDGET—SECRET

38. Territorial extension of tax

That provision may be made—

- (a) bringing within section 38 of the Finance Act 1973 gains accruing on the disposal of certain assets used in connection with exploration or exploitation activities; and
- (b) with respect to payments in respect of tax assessed by virtue of that section.

BUDGET—SECRET

BUDGET—SECRET

39. Initial and first-year allowances

That, with respect to expenditure incurred before 1st April 1985,

- (a) the rate of an initial allowance under section 1 of the Capital Allowances Act 1968 or Schedule 12 to the Finance Act 1982 shall be one-half; and
- (b) the rate of a first-year allowance under section 41 of the Finance Act 1971 shall be three-quarters.

BUDGET—SECRET

BUDGET—SECRET

40. Capital gains

That charges to capital gains tax and corporation tax may be imposed by provisions—

- (a) repealing sections 6, 8 and 9 of the Capital Gains Tax Act 1979;
- (b) making amendments of Schedule 6 to the Finance Act 1983 which have effect as if they had been included in that Schedule when originally enacted; and
- (c) relating to the meanings of “settlement”, “settlor” and “settled property” for the purposes of sections 80 to 84 of the Finance Act 1981.

BUDGET—SECRET

BUDGET—SECRET

41. Oil exploration and exploitation activities

That charges to income tax, corporation tax and capital gains tax may be imposed by provisions—

- (a) abolishing repayment of advance corporation tax under section 17(3) of the Oil Taxation Act 1975 with respect to accounting periods ending on or after 13th March 1984;
- (b) limiting the allowances which may be claimed under Chapter I of Part III of the Finance Act 1971 on a transfer within Schedule 17 to the Finance Act 1980, of the whole or part of the interest in an oil field;
- (c) restricting the losses and other amounts which may be set against certain chargeable gains arising on disposals of interests in licences, oil and other assets used in connection with any of the activities mentioned in section 13(1) of the Oil Taxation Act 1975; and
- (d) restricting relief under Part VI of the Capital Gains Tax Act 1979 in certain cases where the assets replaced have been used in connection with any of those activities.

BUDGET—SECRET

BUDGET—SECRET

42. Controlled foreign companies

That provision may be made imposing charges to corporation tax on companies resident in the United Kingdom which have interests in certain companies not so resident.

BUDGET—SECRET

BUDGET—SECRET

43. Offshore funds

That charges to income tax and corporation tax may be imposed by reference to gains accruing on the disposal on or after 1st January 1984 of certain interest in—

- (a) companies which are resident outside the United Kingdom;
- (b) unit trust schemes, the trustees of which are not resident in the United Kingdom; and
- (c) certain other arrangements which take effect by virtue of the law of a territory outside the United Kingdom.

BUDGET—SECRET

BUDGET—SECRET

44. Capital transfer tax

That it is expedient to authorise amendments of the law relating to capital transfer tax which are designed to facilitate, or are otherwise desirable in connection with, the consolidation of that law.

BUDGET—SECRET

BUDGET—SECRET

45. Reduction of stamp duty on conveyances and leases

That the following provisions shall have effect for the period beginning 20th March 1984 and ending 31 days after the earliest of the dates mentioned in section 50(2) of the Finance Act 1973—

(1) In subsection (1) of section 55 of the Finance Act 1963 and subsection (1) of section 4 of the Finance Act (Northern Ireland) 1963 for paragraphs (a) to (e) there shall be substituted the following paragraphs:—

- “(a) where the amount or value of the consideration is £30,000 or under and the instrument is certified within the meaning of section 34 of the Finance Act 1958 at £30,000, nil;
- (b) where paragraph (a) above does not apply and the consideration does not exceed £500, the rate of 50p for every £50 or part of £50 of the consideration; and
- (c) where paragraph (a) above does not apply and the consideration exceeds £500, the rate of £1 for every £100 or part of £100 of the consideration”;

and in subsection (2) of each of these sections for the words from “as if” onwards there shall be substituted the words “as if for paragraphs (a) to (c) there were substituted the words ‘the rate of £1 for every £100 or part of £100 of the consideration’”.

(2) In the heading “Lease or Tack” in Schedule 1 to the Stamp Act 1891 as it applies throughout the United Kingdom for the Table in paragraph (3) (which provides for duty on rent in the case of any other term) there shall be substituted the following Table:—

	If the term does not exceed 7 years or is indefinite	If the term exceeds 7 years but does not exceed 35 years	If the term exceeds 35 years but does not exceed 100 years	If the term exceeds 100 years
	£p	£p	£p	£p
Not exceeding £25 per annum... ..	Nil	0.25	1.50	3.00
Exceeding £25 and not exceeding £50... ..	Nil	0.50	3.00	6.00
Exceeding £50 and not exceeding £100	Nil	1.00	6.00	12.00
Exceeding £100 and not exceeding £200	Nil	2.00	12.00	24.00
Exceeding £200 and not exceeding £300	Nil	3.00	18.00	36.00
Exceeding £300 and not exceeding £400	Nil	4.00	24.00	48.00
Exceeding £400 and not exceeding £500	Nil	5.00	30.00	60.00
Exceeding £500 for any full sum of £100 and also for any fractional part thereof	0.50	1.00	6.00	12.00

(3) Part III of Schedule 11 to the Finance Act 1974 (saving for certain transfers of stock or marketable securities) shall cease to have effect.

(4) Subject to paragraph (5) below, the foregoing provisions shall apply—

- (a) to instruments executed on or after 20th March 1984; and

BUDGET—SECRET

(b) to instruments executed on or after 13th March 1984 which are stamped on or after 20th March 1984; and, for the purposes of section 14(4) of the Stamp Act 1891 (instruments not to be given in evidence etc. unless stamped in accordance with the law in force at the time of first execution), the law in force at the time of execution of an instrument falling within sub-paragraph (b) above shall be deemed to be that as varied in accordance with the foregoing provisions.

(5) In the case of an instrument giving effect to a stock exchange transaction, as defined in section 4 of the Stock Transfer Act 1963, the foregoing provisions do not apply unless the transaction takes place on or after 12th March 1984 and is one in respect of which settlement is due on or after 13th March 1984.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of section 50 of the Finance Act 1973.

BUDGET—SECRET

BUDGET—SECRET

46. Stamp duty: sub-sales

That the following provisions shall have effect for the period beginning 20th March 1984 and ending 31 days after the earliest of the dates mentioned in section 50(2) of the Finance Act 1973—

(1) In subsection (4) of section 58 of the Stamp Act 1891 (in case of a sub-sale to a single purchaser, duty chargeable only on consideration moving from the sub-purchaser) after the words “conveyed immediately to the sub-purchaser” there shall be inserted the words “then, except where—

- (a) the chargeable consideration moving from the sub-purchaser is less than the value of the property immediately before the contract of sale to him, and
- (b) the conveyance is not one to which section 107 of the Finance Act 1981 (sales of houses at discount by local authorities etc.) applies”.

(2) In subsection (5) of section 58 of the Stamp Act 1891 (in case of a sub-sale in parts or parcels to different sub-purchasers, each conveyance chargeable with duty only on consideration moving from the sub-purchaser) after the words “to different persons in parts or parcels” there shall be inserted the words “then, except where the aggregate of the chargeable consideration for the sale of all such parts or parcels is less than the value of the whole of the property immediately before the contract for their sale or, as the case may be, the first contract for the sale of any of them”.

(3) At the end of the said section 58 there shall be inserted the following subsection:—

“(7) Any reference in subsection (4) or subsection (5) of this section to chargeable consideration is a reference to consideration which falls to be brought into account in determining the duty (if any) chargeable on the conveyance to the sub-purchaser or, as the case may be, on the conveyance of each of the parts or parcels in question; and in any case where it is necessary for the purposes of either of those subsections to determine the value of any property, that value shall be determined as for the purposes of section 74 of the Finance (1909–10) Act 1910 (gifts inter vivos).”

(4) The foregoing provisions apply where the contract for the sub-sale or, as the case may be, the first contract for sub-sale of a part or parcel is entered into on or after 20th March 1984.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of section 50 of the Finance Act 1973.

BUDGET—SECRET

BUDGET—SECRET

47. Stamp duty: agreements for leases

That the following provisions shall have effect for the period beginning 20th March 1984 and ending 31 days after the earliest of the dates mentioned in section 50(2) of the Finance Act 1973—

—(1) In section 75 of the Stamp Act 1891 (agreements for leases for terms not exceeding 35 years to be stamped as if they were leases) in subsection (1) the words “not exceeding thirty-five years” shall be omitted and for subsection (2) (5 pence stamp on lease in conformity with duly stamped agreement) there shall be substituted the following subsection:—

“(2) Where duty has been duly paid on an agreement for a lease or tack and, subsequent to that agreement, a lease or tack is granted which either—

(a) is in conformity with the agreement, or

(b) relates to substantially the same property and term as the agreement,

then the duty which would otherwise be charged on the lease or tack shall be reduced (or as the case may be, extinguished) by the deduction therefrom of the duty paid on the agreement.”

(2) In any case where—

(a) an interest in land is conveyed or transferred subject to an agreement for a lease or tack for a term exceeding 35 years, or

(b) a lease or tack is granted subject to an agreement for a lease or tack for a term exceeding 35 years,

then, whether or not the conveyance, transfer, lease or tack is expressed to be so subject, it shall not be taken to be duly stamped unless there is denoted upon the conveyance, transfer, lease or tack the duty paid on the agreement; and section 11 of the Stamp Act 1891 shall have effect for this purpose as if the duty chargeable on the conveyance, transfer, lease or tack depended on the duty paid on the agreement.

(3) For the purposes of paragraph (2) above, an interest conveyed or transferred or, as the case may be, a lease or tack granted is not to be regarded as subject to an agreement for a lease or tack if that agreement is directly enforceable against another interest in the land in relation to which the interest conveyed or transferred or, as the case may be, the lease or tack granted is a superior interest.

(4) In section 15 of the Stamp Act 1891 (stamping of instruments after execution) in the Table following paragraph (d) of subsection (2) (instruments as to which certain special provisions apply), after the entry beginning “lease or tack”, there shall be inserted:—

“Agreement for lease or tack
chargeable under section 75

The person contracting for the lease or tack
to be granted to him or another.”

(5) The foregoing provisions apply to any agreement for a lease or tack entered into on or after 20th March 1984.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of section 50 of the Finance Act 1973.

BUDGET—SECRET

BUDGET—SECRET

48. Stamp duty: sale of houses at discount by certain bodies

That, for the period beginning 20th March 1984 and ending 31 days after the earliest of the dates mentioned in section 50(2) of the Finance Act 1973, section 107 of the Finance Act 1981 shall have effect—

(a) with the addition to subsection (3) of the following paragraph—

“(n) the United Kingdom Atomic Energy Authority”;

and

(b) with the insertion, after subsection (3), of the following subsection:—

“(3A) This section also applies to any conveyance or transfer on sale of a dwelling-house (including the grant of a lease) where the conveyance or transfer is made pursuant to a sub-sale made at a discount by a body falling within subsection (3)(f) above”.

The foregoing provisions shall apply—

(a) to instruments executed on or after 20th March 1984; and

(b) to instruments executed on or after 13th March 1984 and stamped on or after 20th March 1984;

and, for the purposes of section 14(4) of the Stamp Act 1891 (instruments not to be given in evidence etc. unless stamped in accordance with the law in force at the time of first execution), the law in force at the time of execution of an instrument falling within sub-paragraph (b) above shall be deemed to be that as varied in accordance with the foregoing provisions.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of section 50 of the Finance Act 1973.

BUDGET—SECRET

BUDGET—SECRET

49. Oil Taxation (reliefs for expenditure and losses)

That provision may be made for restricting the amounts allowable under section 5, 5A or 6 of the Oil Taxation Act 1975 on claims made after 13th September 1983.

BUDGET—SECRET

BUDGET—SECRET

50. Oil taxation (paymnts for minimum delivery and capacity payments)

That provision may be made with respect to the treatment, for the purposes of Part I of the Oil Taxation Act 1975, and certain sums forming part of the consideration payable under contracts for the sale of oil won from an oil field.

BUDGET—SECRET

BUDGET—SECRET

51. Relief from tax (incidental and consequential charges)

That it is expedient to authorise any incidental or consequential charges to any duty or tax (including charges having retrospective effect) which may arise from provisions designed in general to afford relief from tax.

BUDGET—SECRET

BUDGET—SECRET

PROCEDURE RESOLUTIONS

PROCEDURE (LOANS BY PUBLIC WORKS LOAN COMMISSIONERS): That, notwithstanding anything to the contrary in the practice of the House relating to matters which may be included in Finance Bills, any Finance Bill of the present Session may contain provision with respect to the power of the Public Works Loans Commissioners to make loans in pursuance of section 3 of the National Loans Act 1968 and the limit on such loans.

BUDGET—SECRET

BUDGET—SECRET

PROCEDURE (FUTURE TAXATION): That, notwithstanding anything to the contrary in the practice of the House relating to matters which may be included in Finance Bills, any Finance Bill of the present Session may contain the following provisions taking effect in a future year—

(a) provisions charging corporation tax for the financial years 1984, 1985 and 1986 at the rate of 45 per cent., 40 per cent. and 35 per cent. respectively and provisions having effect for all or any of those years with respect to

- (i) the small companies rate; and
- (ii) the fractions referred to in sections 93(2) and 95(2) of the Finance Act 1972; and
- (iii) the special rate for the purposes of section 96 of that Act;

BUDGET—SECRET

BUDGET—SECRET

(b) provisions with respect to initial allowances under section 1 of the Capital Allowances Act 1968 and Schedule 12 to the Finance Act 1982;

BUDGET—SECRET

BUDGET—SECRET

(d) provisions abolishing the relief from income tax provided by section 23(3) of the Finance Act 1974, paragraph 3 of Schedule 2 to that Act, paragraphs 2 and 3 of Schedule 7 to the Finance Act 1977 and section 27 of the Finance Act 1978;

BUDGET—SECRET

BUDGET—SECRET

(c) provisions with respect to first-year allowances under section 41 of the Finance Act 1971;

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BUDGET—SECRET

- (e) provisions requiring certain banks and other deposit-takers making certain payments of interest to account for and pay amounts representing income tax on the grossed up amounts of those payments;

BUDGET—SECRET

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- (f) abolishing the surcharge payable under the National Insurance Surcharge Act 1976 with respect to secondary Class I contributions payable by any of the bodies mentioned in section 143(4) of the Finance Act 1982.

BUDGET—SECRET

BUDGET—SECRET

LXXIV—A(1)

—
2nd March, 1984
—

BUDGET—SECRET

7 MAR 1984

BUDGET SECRET

FROM: R A W REX
7 MARCH 1984

CHIEF SECRETARY

cc PS/Chancellor
PS/Financial Secretary
PS/Economic Secretary
PS/Minister of State
Sir P Middleton—
Mr Cassell
Mr Monck
Mr Battishill
Mr Monger
Mr Griffiths
Mr R I G Allen
Mr F Martin

f
BUDGET RESOLUTIONS

Attached is the second print of the Budget Resolutions. If there are any comments, it would be helpful to have them by early tomorrow morning, so that the semi-final print can go to the printer tomorrow. The remainder of the Budget Resolutions timetable is:

Thursday 8 March : semi-final print to printer
Friday 9 March : semi-final print distributed
Monday 12 March : final print to printer by 4.00 pm

2. Two decisions on the VAT extension resolutions are required.
- i. Should the three separate resolutions (13, 14 and 15) be amalgamated into a single resolution?
 - ii. Should the resolution or resolutions be so framed as to preclude amendments seeking to bring the items involved into tax at a lower rate?

RAW REX

R A W REX

BUDGET—SECRET

**DRAFT
RESOLUTIONS TO BE MOVED BY
THE CHANCELLOR OF THE
EXCHEQUER**

13th MARCH 1984

BUDGET—SECRET

BUDGET—SECRET

Mr. Chancellor of the Exchequer

PROVISIONAL COLLECTION OF TAXES: That pursuant to section 5 of the Provisional Collection of Taxes Act 1968 provisional statutory effect shall be given to the following Motions:—

- (a) Spirits (Motion No. 2)
- (b) Beer (Motion No. 3)
- (c) Wine and made-wine (Motion No. 4)
- (d) Cider (Motion No. 6)
- (e) Tobacco products (Motion No. 7)
- (f) Hydrocarbon oil (Motion No. 8)
- (g) Vehicles excise duty (Motion No. 9)

BUDGET—SECRET

BUDGET—SECRET

ARRANGEMENT OF WAYS AND MEANS RESOLUTIONS

1. Amendment of the law.
2. Spirits.
3. Beer.
4. Wine and made-wine (normal rates of duty).
5. Wine and made-wine (temporary surcharge).
6. Cider.
7. Tobacco products.
8. Hydrocarbon oil.
9. Vehicles excise duty.
10. Gaming licence duty.
11. Gaming machine licence duty.
12. Free zones.
13. Restriction of zero-rating (food).
14. Restriction and removal of zero-rating (books, etc., newspaper advertisements and news services).
15. Restriction of zero-rating (construction of buildings, etc.).
16. Zero-rating (supplies outside the United Kingdom).
17. Customs and excise duty and value added tax (reliefs).
18. Car tax and value added tax (distress and poinding).
19. Income tax (charge and rates for 1984–85).
20. Income tax (personal reliefs).
21. Relief for interest (limit for 1984–85).
22. Corporation tax (charge and rate for financial year 1983).
23. Corporation tax (reducing fraction for chargeable gains).
24. Advance corporation tax (rate for financial year 1984).
25. Corporation tax (small companies).
26. Relief for interest: bridging loans.
27. Life assurance premium relief.
28. Insurance policies.
29. Registered friendly societies.
30. Reduction and abolition of certain reliefs in relation to foreign earnings and emoluments.
31. Benefits in kind: scholarships.
32. Share options.
33. Business expansion scheme.
34. Schedule B.
35. Groups and consortia.
36. Stock relief.
37. Deep discount securities.
38. Grants under Industrial Development (Northern Ireland) Order 1982.
39. Amendments to territorial extension of tax.
40. Initial and first-year allowances.
41. Capital gains.
42. Oil exploration and exploitation activities.

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43. Controlled foreign companies.
44. Offshore funds.
45. Capital transfer tax.
46. Reduction of stamp duty on conveyances and leases.
47. Stamp duty: sub-sales.
48. Stamp duty: agreements for leases.
49. Stamp duty: sale of houses at discount by certain bodies.
50. Oil taxation (reliefs for expenditure and losses).
51. Oil taxation (payments for minimum delivery and capacity payments).
52. Relief from tax (incidental and consequential charges).

BUDGET—SECRET

BUDGET—SECRET

1. Amendment of the law

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

- (a) for zero-rating or exempting any supply;
- (b) for refunding any amount of tax, otherwise than by a provision relating to supplies to, and importation by, a government department within the meaning of section 27 of the Value Added Tax Act 1983;
- (c) for varying the rate of that tax otherwise than in relation to all supplies and importations;
or
- (d) for any relief other than relief applying to goods of whatever description or services of whatever description.

BUDGET—SECRET

BUDGET—SECRET

2. Spirits

That as from 14th March 1984, the rate of duty specified in section 5 of the Alcoholic Liquor Duties Act 1979 shall be increased from £15·19 per litre of alcohol in the spirits to £15·43 per litre of alcohol in the spirits.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

3. Beer

That, as from 14th March 1984, the rates of duty specified in section 36 of the Alcoholic Liquor Duties Act 1979 shall be increased—

- (a) from £21·60 for each hectolitre to £24·00 for each hectolitre; and
- (b) from £0·72 for each additional degree of original gravity exceeding 1030 degrees to £0·80 for each such additional degree.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

4. Wine and made-wine (normal rates of duty)

That, as from 14th March 1984, the rates of duty under sections 54 and 55 of the Alcoholic Liquor Duties Act 1979 shall be as follows—

Description of wine or made-wine	Rates of duty per hectolitre
	£
(1) Wine or made wine of a strength of less than 15 per cent and not being sparkling	90.50
(2) Sparkling wine or sparkling made-wine of a strength of less than 15 per cent	149.40
(3) Wine or made-wine of a strength of not less than 15 per cent but not exceeding 18 per cent	157.50
(4) Wine or made-wine of a strength exceeding 18 per cent but not exceeding 22 per cent	183.30
(5) Wine or made-wine of a strength exceeding 22 per cent	183.30 plus £15.48 for every 1 per cent or part of 1 per cent in excess of 22 per cent.

And it is hereby declared that it is expedient in the public interest that this Rescution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

5. Wine and made-wine (temporary surcharge)

That provision may be made imposing, as from 1st September 1984, a surcharge of £23·00 per hectolitre on wine or made-wine of a strength of not less than 15 per cent. which is flavoured with aromatic extracts.

BUDGET—SECRET

BUDGET—SECRET

6. Cider

That, as from 14th March 1984,—

- (a) the rate of duty specified in section 62(1) of the Alcoholic Liquor Duties Act 1979 shall be increased from £9·69 per hectolitre to £14·28 per hectolitre; and
- (b) in the definition of “cider” in section 1(6) of that Act for the words “strength less than 8·7 per cent.” there shall be substituted “strength less than 8·5 per cent.”.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

7. Tobacco products

That, as from 16th March 1984, for the Table in Schedule 1 to the Tobacco Products Duty Act 1979 there shall be substituted—

“ TABLE

1. Cigarettes	...	...	...	...	An amount equal to 21 per cent. of the retail price plus £22·99 per thousand cigarettes.
2. Cigars	...	...	...	...	£43·34 per kilogram.
3. Hand-rolling tobacco	...	...	...	...	£37·49 per kilogram.
4. Other smoking tobacco and chewing tobacco	...	...	...	...	£24·95 per kilogram.”

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

8. Hydrocarbon oil

That, as from 6 o'clock in the evening of 13th March 1984,—

(1) the rates of duty specified in section 6(1) of the Hydrocarbon Oil Duties Act 1979 shall be increased—

(a) in the case of light oil, from £0·1630 a litre to £0·1716 a litre; and

(b) in the case of heavy oil, from £0·1382 a litre to £0·1448 a litre; and

(2) in section 11(1)(a) of that Act (rebate on kerosene, other than aviation turbine fuel) for the words “of £0·0022 a litre less than” there shall be substituted the words “equal to”.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

9. Vehicles excise duty

That the Vehicles (Excise) Act 1971 and the Vehicles (Excise) Act (Northern Ireland) 1972 shall have effect, in relation to licences taken out after 13th March 1984, with the amendments set out below.

But this Resolution shall not authorise the making of amendments which would result in different provisions being in force in different parts of Great Britain.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

(1) In the said Acts of 1971 and 1972, for the provisions of Part II of Schedules 1 to 5 (annual rates of duty) there shall be substituted the provisions set out below:

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 1 TO ACT OF 1971 AND ACT OF 1972

Description of vehicle	Rate of duty
	£
1. Bicycles and tricycles of which the cylinder capacity of the engine does not exceed 150 cubic centimetres	9.00
2. Bicycles of which the cylinder capacity of the engine exceeds 150 cubic centimetres but does not exceed 250 cubic centimetres; tricycles (other than those in the foregoing paragraph) and vehicles (other than mowing machines) with more than three wheels, being tricycles and vehicles neither constructed nor adapted for use nor used for the carriage of a driver or passenger	18.00
3. Bicycles and tricycles not in the foregoing paragraphs	36.00

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 2 TO THE ACT OF 1971 AND ACT OF 1972

Description of vehicle	Rate of duty
Hackney carriages	£ 45.00 with an additional 90p for each person above 20 (excluding the driver) for which the vehicle has seating capacity.

BUDGET—SECRET

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 3 TO ACT OF 1971 AND ACT OF 1972

1. Description of vehicle	Weight unladen of vehicle		Rate of duty	
	2. Exceeding	3. Not exceeding	4. Initial	5. Additional for each ton or part of a ton in excess of the weight in column 2
1. Agricultural machines; digging machines; mobile cranes; works trucks; mowing machines; fishermen's tractors	—	—	£ 15.00	£ —
2. Haulage vehicles, being showmen's vehicles	— 7½ tons 8 tons 10 tons	7½ tons 8 tons 10 tons —	144.00 172.00 203.00 203.00	— — — 31.00
3. Haulage vehicles, not being showmen's vehicles	— 2 tons 4 tons 6 tons 7½ tons 8 tons 9 tons 10 tons 11 tons	2 tons 4 tons 6 tons 7½ tons 8 tons 9 tons 10 tons 11 tons —	171.00 308.00 445.00 581.00 710.00 831.00 951.00 1,088.00 1,088.00	— — — — — — — — 136.00

BUDGET—SECRET

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 4 TO ACT OF 1971 AND ACT OF 1972

TABLE A

RATES OF DUTY ON RIGID GOODS VEHICLES EXCEEDING 12 TONNES PLATED GROSS WEIGHT

GENERAL RATES

Plated gross weight of vehicle		Rate of duty		
1. Exceeding	2. Not exceeding	3. Two axle vehicle	4. Three axle vehicle	5. Four or more axle vehicle
tonnes	tonnes	£	£	£
12	13	410	320	320
13	14	530	340	340
14	15	640	340	340
15	17	850	340	340
17	19	—	460	340
19	21	—	610	340
21	23	—	780	490
23	25	—	1,250	690
25	27	—	—	930
27	29	—	—	1,200
29	30.49	—	—	2,100

TABLE A(1)

RATES OF DUTY ON RIGID GOODS VEHICLES EXCEEDING 12 TONNES PLATED GROSS WEIGHT

RATES FOR FARMERS' GOODS VEHICLES

Plated gross weight of vehicle		Rate of duty		
1. Exceeding	2. Not exceeding	3. Two axle vehicle	4. Three axle vehicle	5. Four or more axle vehicle
tonnes	tonnes	£	£	£
12	13	140	125	125
13	14	150	125	125
14	15	155	125	125
15	17	195	135	125
17	19	—	145	125
19	21	—	160	135
21	23	—	170	145
23	25	—	230	160
25	27	—	—	190
27	29	—	—	225
29	30.49	—	—	360

BUDGET—SECRET

BUDGET—SECRET

TABLE A(2)
 RATES OF DUTY ON RIGID GOODS VEHICLES EXCEEDING 12 TONNES PLATED GROSS WEIGHT
 RATES FOR SHOWMEN'S GOODS VEHICLES

Plated gross weight of vehicle		Rate of duty		
1. Exceeding	2. Not Exceeding	3. Two axle vehicle	4. Three axle vehicle	5. Four or more axle vehicle
tonnes	tonnes	£	£	£
12	13	140	125	125
13	14	150	125	125
14	15	155	125	125
15	17	195	135	125
17	19	—	145	130
19	21	—	170	145
21	23	—	185	170
23	25	—	270	190
25	27	—	—	230
27	29	—	—	280
29	30.49	—	—	455

TABLE B
 SUPPLEMENTARY RATES OF DUTY ON RIGID GOODS VEHICLES OVER 12 TONNES USED FOR
 DRAWING TRAILERS EXCEEDING 4 TONNES PLATED GROSS WEIGHT
 GENERAL RATES

Gross weight of trailer		Duty supplement
Exceeding	Not exceeding	
tonnes	tonnes	£
4	8	75
8	10	95
10	12	120
12	14	170
14	—	330

BUDGET—SECRET

TABLE B(1)

SUPPLEMENTARY RATES OF DUTY ON RIGID GOODS VEHICLES OVER 12 TONNES USED FOR DRAWING TRAILERS EXCEEDING 4 TONNES PLATED GROSS WEIGHT

RATES FOR FARMERS' GOODS VEHICLES

Gross weight of trailer		Duty supplement
Exceeding	Not exceeding	
tonnes	tonnes	£
4	8	75
8	10	95
10	12	120
12	14	170
14	—	330

TABLE B(2)

SUPPLEMENTARY RATES OF DUTY ON RIGID GOODS VEHICLES OVER 12 TONNES USED FOR DRAWING TRAILERS EXCEEDING 4 TONNES PLATED GROSS WEIGHT

RATES FOR SHOWMEN'S GOODS VEHICLES

Gross weight of trailer		Duty supplement
Exceeding	Not exceeding	
—	—	£ 75

BUDGET—SECRET

TABLE C
 RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES PLATED TRAIN WEIGHT
 AND HAVING ONLY 2 AXLES
 GENERAL RATES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	14	470	420	420
14	16	590	440	440
16	18	690	440	440
18	20	810	440	440
20	22	940	550	440
22	23	1,000	620	440
23	25	1,150	780	440
25	26	1,150	870	530
26	28	1,150	1,090	720
28	29	1,210	1,210	820
29	31	1,680	1,680	1,050
31	33	2,450	2,450	1,680
33	34	2,450	2,450	2,250
34	36	2,750	2,750	2,750
36	38	3,100	3,100	3,100

BUDGET—SECRET

TABLE C(1)

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES PLATED TRAIN WEIGHT
AND HAVING ONLY 2 AXLES

RATES FOR FARMERS' GOODS VEHICLES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	14	145	140	140
14	16	160	140	140
16	18	170	140	140
18	20	175	140	140
20	22	185	145	140
22	23	190	155	140
23	25	210	165	145
25	26	210	170	155
26	28	210	190	175
28	29	210	205	185
29	31	280	280	220
31	33	395	395	320
33	34	750	750	750
34	36	905	905	905
36	38	1,020	1,020	1,020

BUDGET—SECRET

BUDGET—SECRET

TABLE C(2)
 RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES PLATED TRAIN WEIGHT
 AND HAVING ONLY 2 AXLES

RATES FOR SHOWMEN'S GOODS VEHICLES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	14	145	140	140
14	16	160	140	140
16	18	170	140	140
18	20	180	155	155
20	22	205	165	155
22	23	220	170	170
23	25	250	190	175
25	26	250	205	185
26	28	250	240	215
28	29	260	260	230
29	31	355	355	275
31	33	495	495	405
33	34	925	925	925
34	36	1,125	1,125	1,125
36	38	1,265	1,265	1,265

BUDGET—SECRET

TABLE D
RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES PLATED TRAIN WEIGHT
AND HAVING 3 OR MORE AXLES

GENERAL RATES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	14	420	420	420
14	20	440	440	440
20	22	550	440	440
22	23	620	440	440
23	25	780	440	440
25	26	870	440	440
26	28	1,090	440	440
28	29	1,210	520	440
29	31	1,680	640	440
31	33	2,450	970	440
33	34	2,450	1,420	550
34	36	2,450	2,030	830
36	38	2,730	2,730	1,240

BUDGET—SECRET

TABLE D(1)
 RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES PLATED TRAIN WEIGHT
 AND HAVING 3 OR MORE AXLES
 RATES FOR FARMERS' GOODS VEHICLES

Plated train weight of tractor unit		Rate of duty		
1. Exceeding	2. Not exceeding	3. For a tractor unit to be used with semi-trailers with any number of axles	4. For a tractor unit to be used only with semi-trailers with not less than two axles	5. For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	20	140	140	140
20	22	145	140	140
22	23	150	140	140
23	25	165	140	140
25	26	170	145	140
26	28	190	170	155
28	29	205	180	165
29	31	280	215	195
31	33	395	315	230
33	34	470	470	285
34	36	670	670	430
36	38	900	900	650

BUDGET—SECRET

TABLE D(2)

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES PLATED TRAIN WEIGHT
AND HAVING 3 OR MORE AXLES

RATES FOR SHOWMEN'S GOODS VEHICLES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	18	140	140	140
18	20	145	145	140
20	22	165	160	140
22	23	170	165	140
23	25	190	170	155
25	26	205	180	165
26	28	240	210	180
28	29	260	225	200
29	31	355	270	240
31	33	495	395	290
33	34	580	580	355
34	36	830	830	540
36	38	1,115	1,115	805

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 5 TO ACT OF 1971 AND ACT OF 1972

Description of vehicle	Rate of duty
	£
1. Any vehicle first registered under the Roads Act 1920 before 1st January 1947, or which, if its first registration for taxation purposes had been effected in Northern Ireland, would have been so first registered under the Act as in force in Northern Ireland	60.00
2. Other vehicles	90.00

BUDGET—SECRET

BUDGET—SECRET

(2) In subsection (5) of section 16 of the Act of 1971 (rates of duty for trade licences), including that subsection as set out in paragraph 12 of Part I of Schedule 7 to that Act, for “£42” and “£8·50” there shall be substituted, respectively, “£44” and “£9”.

(3) In subsection (6) of section 16 of the Act of 1972 (rates of duty for trade licences), including that subsection as set out in paragraph 12 of Part I of Schedule 9 to that Act, for “£42” and “£8·50” there shall be substituted, respectively, “£44” and “£9”.

(4) In Part I of Schedule 4 to the Acts of 1971 and 1972 (annual rates of duty on goods vehicles: general provisions)—

- (a) in paragraph 1(1), for “£150” there shall be substituted “£130”;
- (b) in paragraph 2, for “£320” there shall be substituted “£290”;
- (c) in paragraph 6(1), for “£63” there shall be substituted “£67”; and
- (d) in paragraph 7, for “£85” there shall be substituted “£90”.

BUDGET—SECRET

BUDGET—SECRET

10. Gaming licence duty

That, for the purposes of gaming licence duty charged on gaming licences for any period beginning after 31st March 1984, the following Table shall be substituted for the Table set out in section 14(1) of the Betting and Gaming Duties Act 1981—

TABLE

<i>Part of gross gaming yield</i>	<i>Rate</i>
The first £375,000	2½ per cent.
The next £1,875,000	12½ per cent.
The next £2,250,000	25 per cent.
The remainder	33⅓ per cent.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

11. Gaming machine licence duty

That provision may be made modifying the periods for which whole-year gaming machine licences are to be granted.

BUDGET—SECRET

BUDGET—SECRET

12. Free zones

That provision may be made in connection with goods which are or have been within any area (to be known as a free zone) designated as a special area for customs purposes.

BUDGET—SECRET

BUDGET—SECRET

13. Restriction of zero-rating (food)

That, with respect to supplies made on or after 1st May 1984, in Schedule 5 to the Value Added Tax Act 1983, Note (3) in Group 1 (Food) shall be amended by inserting “(a)” after the word “includes” and by adding at the end “and

(b) any supply of hot food for consumption off those premises;

and for the purpose of paragraph (b) above ‘hot food’ means food which, or any part of which,—

- (i) has been heated for the purpose of enabling it to be consumed at a temperature above the ambient air temperature; and
- (ii) is at the time of the supply above that temperature”:

But this Resolution shall not authorise the making of amendments that would make value added tax chargeable at a rate other than either nil or the rate specified in section 9 of the Value Added Tax Act 1983.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

14. Restriction and removal of zero-rating (books, etc., newspaper advertisements and news services)

That, with respect to supplies made on or after 1st April 1984, Schedule 5 to the Value Added Tax Act 1983 shall be amended as follows:—

(1) For Group 3 (Books etc.) there shall be substituted—

“GROUP 3—PRINTED BOOKS

Item No.

1. Printed books.

Notes:

(1) This item does not include—

(a) magazines, journals or periodicals; or

(b) catalogues or brochures; or

(c) books which are designed with a view that anything should be put in or on any of the pages thereof (whether by writing, colouring, drawing, the insertion or addition of objects or in any other way whatsoever); or

(d) books which are designed with a view that any part thereof should be removed, but excluding loose leaf books, the content of which is intended to be revised by the replacement or removal of pages; or

(e) books of plans or drawings for industrial, architectural, engineering, commercial or similar purposes.

(2) This item includes the supply of the services described in paragraph 1(1) of Schedule 2 to this Act in respect of goods comprised in the item.”

(2) Group 5 (newspaper advertisements) shall be omitted.

(3) Group 6 (news services) shall be omitted.

This Resolution shall not authorise the making of amendments that would make value added tax chargeable at a rate other than either nil or the rate specified in section 9 of the Value Added Tax Act 1983.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

15. Restriction of zero-rating (construction of buildings, etc.)

That, with respect to supplies made on or after 1st June 1984, in Schedule 5 to the Value Added Tax Act 1983, Group 8 (construction of buildings, etc.) shall be amended as follows:—

(1) In item 2 (supply of services in the course of certain operations relating to buildings and civil engineering works), for paragraphs (a) and (b) there shall be substituted the words “in the course of the construction or demolition of”.

(2) After Note (1) there shall be inserted the following Note:—

“(1A) Any reference in item 2 or the following Notes to the construction of any building or the construction of any civil engineering work does not include a reference to the conversion, reconstruction, alteration or enlargement of any existing building or civil engineering work, and the reference in item 1 to a person constructing a building shall be construed accordingly.”

(3) In Note (2) (matters excluded from item 2), for paragraph (a) (which excluded repair or maintenance and is rendered unnecessary by the removal from item 2 of the reference to alteration) there shall be substituted the following paragraph:—

“(a) the supply of any services in the course of the construction of any building (“the secondary building”) within the grounds or garden of another building (“the main building”) which is used or to be used wholly or mainly as a private residence except—

- (i) where the secondary building is itself to be so used; or
- (ii) where the secondary building is a garage which is to be used and occupied together with another building which is being constructed at the same time as the secondary building and which is either the main building or another secondary building which is to be used wholly or mainly as a private residence.”

(4) In Note 2—

- (a) in paragraph (b), the words “or alteration”, and
 - (b) paragraph (c) (supply of services otherwise than in the course or furtherance of a business),
- shall be omitted.

(5) After Note 2 there shall be inserted the following Note:—

“(2A) In item 3, the goods referred to in paragraph (a) do not include—

- (a) finished or prefabricated furniture, other than furniture designed to be fitted in kitchens; or
- (b) materials for the construction of fitted furniture, other than kitchen furniture; or
- (c) domestic electrical or gas appliances, other than those designed to provide space heating or water heating or both.”

This Resolution shall not authorise the making of amendments that would make value added tax chargeable at a rate other than either nil or the rate specified in section 9 of the Value Added Tax Act 1983.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

16. Zero-rating (supplies outside the United Kingdom)

That provision may be made for removing from section 16(5) of the Value Added Tax Act 1983 references to the supply of goods or services outside the United Kingdom.

BUDGET—SECRET

BUDGET—SECRET

17. Customs and excise duty and value added tax (reliefs).

That—

(1) For section 7 of the Customs and Excise Duties (General Reliefs) Act 1979 (relief from customs or excise duty on imported legacies) there shall be substituted, as from 1st July 1984—

“ Power to provide for reliefs from duty and value added tax in respect of imported legacies.

7.—(1) The Commissioners may by order make provision for conferring reliefs from duty and value added tax in respect of goods imported into the United Kingdom by or for any person who has become entitled to them as legatee.

(2) Any such relief may take the form either of an exemption from payment of duty and tax or of a provision whereby the sum payable by way of duty or tax is less than it would otherwise be.

(3) The Commissioners may by order make provision supplementing any Community relief, in such manner as they think necessary or expedient.

(4) An order under this section—

(a) may make any relief for which it provides, or any Community relief, subject to conditions, including conditions which are to be complied with after the importation of the goods to which the relief applies;

(b) may, in relation to any relief conferred by order made under this section, contain such incidental and supplementary provisions as the Commissioners think necessary or expedient; and

(c) may make different provision for different cases.

(5) In this section—

“ Community relief ” means any relief which is conferred by a Community instrument and is of a kind which could otherwise be conferred by order made under this section;

“ duty ” means customs or excise duty chargeable on goods imported into the United Kingdom and, in the case of excise duty, includes any addition to the duty by virtue of section 1 of the Excise Duties (Surcharges or Rebates) Act 1979;

“ legatee ” means any person taking under a testamentary disposition or donatio mortis causa or on an intestacy; and

“ value added tax ” means value added tax chargeable on the importation of goods.”.

(2) As from 31st March 1984, section 13 of the Customs and Excise Duties (General Reliefs) Act 1979 (orders providing for personal reliefs from duties etc.) shall be amended as follows—

(a) after subsection (1) there shall be inserted the following subsection—

“(1A) The Commissioners may by order make provision supplementing any Community relief, in such manner as they think necessary or expedient.”;

(b) in subsection (3)(a), after the word “ provides ” there shall be inserted the words “, or any Community relief.”;

(c) in subsection (3)(b), after the word “ may ” there shall be inserted the words “, in relation to any relief conferred by order made under this section.”; and

(d) in subsection (4) there shall be inserted at the appropriate place—

“ ‘ Community relief ’ means any relief which is conferred by a Community instrument and is of a kind, or of a kind similar to that, which could otherwise be conferred by order made under this section; ”.

BUDGET—SECRET

BUDGET—SECRET

(3) In section 17 of the Customs and Excise Duties (General Reliefs) Act 1979 (parliamentary control of orders and regulations)—

(a) in subsection (3), after the figure “ 4 ” there shall be inserted, as from 1st July 1984, “, 7”;

and

(b) in subsection (4), after the figure “ 13 ” there shall be inserted, as from 31st March 1984, “ (1) ”.

(4) As from 31st March 1984, in the Isle of Man Act 1979—

(a) in section 8 (removal of goods from Isle of Man to United Kingdom), in subsection (3), the words “or under any Community instrument” shall be inserted after the words “imported goods)” and the words “or under the Community instrument in question” shall be added at the end; and

(b) in section 9 (removal of goods from United Kingdom to Isle of Man), in subsection (5), the words “or under any Community instrument” shall be added at the end.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

18. Car tax and value added tax (distress and pouncing)

That provision may be made empowering the imposition and recovery of costs, charges, expenses and fees in connection with anything done under regulations relating to the levying of distress or pouncing of corporeal moveables in connection with unpaid car tax and value added tax and amounts recoverable as if they were value added tax.

BUDGET—SECRET

BUDGET—SECRET

19. Income tax (charge and rates for 1984–85)

That—

- (1) Income tax for the year 1984–85 shall be charged at the basic rate of 30 per cent., and—
- (a) in respect of so much of an individual's total income as exceeds £15,400 (the basic rate limit as determined under subsection (4) of section 24 of the Finance Act 1980—indexation) at such higher rates as are specified in the Table below (in which the higher rate bands are those as so determined); and
- (b) in respect of any sum which, by virtue of any provision of Part III of the Finance Act 1973 or Chapter I of Part III of the Finance Act 1974, is chargeable at the additional rate, as defined for the purposes of that provision, at the additional rate of 15 per cent.

TABLE

<i>Part of excess over £15,400</i>									<i>Higher rate</i>
The first £2,800	...	...	...	...	...	...	...	...	40 per cent.
The next £4,900	...	...	...	...	...	...	...	...	45 per cent.
The next £7,500	...	...	...	...	...	...	...	...	50 per cent.
The next £7,500	...	...	...	...	...	...	...	...	55 per cent.
The remainder	...	...	...	...	...	...	...	...	60 per cent.

(2) This Resolution shall not require any change to be made in the amounts deductible or repayable under section 204 of the Income and Corporation Taxes Act 1970 (pay as you earn) before 11th May 1984.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

20. Income tax (personal reliefs)

That—

(1) Section 24(5) of the Finance Act 1980 (increase of personal reliefs) shall not apply for the year 1984–85.

(2) In section 8 of the Income and Corporation Taxes Act 1970 (personal reliefs)—

(a) in subsection (1)(a) (married) for “£2,795” there shall be substituted “£3,155”;

(b) in subsection (1)(b) (single) and (2) (wife’s earned income relief) for “£1,785” there shall be substituted “£2,005”;

(c) in subsection (1A) (age allowance) for “£3,755” and “£2,360” there shall be substituted “£3,955” and “£2,490” respectively;

(d) in subsection (1B) (income limit for age allowance) for “£7,600” there shall be substituted “£8,100”.

(3) This Resolution shall not require any change to be made in the amounts deductible or repayable under section 204 of the Income and Corporation Taxes Act 1970 (pay as you earn) before 11th May 1984.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

21. Relief for interest (limit for 1984-85)

That, for the year 1984-85—

(1) The limit imposed by paragraph 5 of Schedule 1 to the Finance Act 1974 shall, subject to any reduction to be made under that paragraph, be the same as for the year 1983-84, that is to say, £30,000 and, accordingly, for any reference in sub-paragraph (1) of that paragraph to £25,000 there shall continue to be substituted a reference to £30,000.

(2) For any reference in paragraph 24(3) of that Schedule to £25,000 there shall, as for the year 1983-84, be substituted a reference to £30,000.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

22. Corporation tax (charge and rate for financial year 1983)

That corporation tax shall be charged for the financial year 1983 at the rate of 50 per cent.

BUDGET—SECRET

BUDGET—SECRET

23. Corporation tax (reducing fraction for chargeable gains)

That, as from 1st April 1983, the fraction by which, under section 93(2) of the Finance Act 1972, chargeable gains are to be reduced before they are for the purposes of corporation tax included in the profits of a company shall be two-fifths.

BUDGET—SECRET

BUDGET—SECRET

24. Advance corporation tax (rate for financial year 1984)

That the rate of advance corporation tax for the financial year 1984 shall be three-sevenths.

BUDGET—SECRET

BUDGET—SECRET

25. Corporation tax (small companies)

That—

- (a) the small companies rate for the financial year 1983 shall be 30 per cent.; and
- (b) the fraction by reference to which corporation tax charged on income is reduced under section 95(2) of the Finance Act 1972 shall for that financial year be one-twentieth.

BUDGET—SECRET

BUDGET—SECRET

26. Relief for interest: bridging loans

That, for the year 1984-85 and subsequent years of assessment, in paragraph 6 of Schedule 1 to the Finance Act 1974 (continuing relief for an existing home loan where the borrower raises a new loan to purchase another home in which he takes up residence) after sub-paragraph (1) there shall be inserted the following sub-paragraph:—

“(1A) Where Part I of Schedule 9 to the Finance Act 1972 continues to apply to a loan by virtue of sub-paragraph (1)(a) above, paragraph 5 above shall also continue to have effect in relation to the loan as if that Part applied to it by virtue of paragraph 4(1)(a) above.”

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

BUDGET—SECRET

BUDGET—SECRET

27. Life assurance premium relief

That provision may be made withdrawing relief under section 19 of the Income and Corporation Taxes Act 1970 with respect to policies issued in respect of insurances made after 13th March 1984 and for the recovery of any relief given in respect of premiums under such policies.

BUDGET—SECRET

BUDGET—SECRET

28. Insurance policies

That provision may be made—

- (a) extending, with effect from 22nd August 1983, the provisions of section 30 of the Finance Act 1980 disqualifying certain policies of life insurance from being qualifying policies;
- (b) restricting the cases in which a policy of life insurance may be a qualifying policy where the policy—
 - (i) is issued in respect of an insurance made after 17th November 1983, and
 - (ii) is so issued by a company resident outside the United Kingdom;
- (c) amending paragraph 9(3)(a) of Schedule 1 to the Income and Corporation Taxes Act 1970 (substituted and varied policies), with respect to policies issued after 22nd February 1984;
- (d) varying the application of Chapter III of Part XIV of that Act (chargeable events) in relation to a policy issued by a company resident outside the United Kingdom where the policy is either—
 - (i) a policy of life insurance issued in respect of an insurance made after 17th November 1983, or
 - (ii) a capital redemption policy issued in respect of an insurance made after 22nd February 1984; and
- (e) restricting the cases where the maturity of a policy of life insurance is not a chargeable event for the purposes of Chapter III of the said Part XIV.

BUDGET—SECRET

BUDGET—SECRET

29. Registered friendly societies

That provision may be made amending section 332 of the Income and Corporation Taxes Act 1970.

BUDGET—SECRET

BUDGET—SECRET

30. Reduction and abolition of certain reliefs in relation to foreign earnings and emoluments

That provision may be made—

- (a) reducing the relief from income tax provided by section 23(3) of the Finance Act 1974, paragraph 3 of Schedule 2 to that Act, paragraphs 2 and 3 of Schedule 7 to the Finance Act 1977 and section 27 of the Finance Act 1978; and
- (b) abolishing the relief from income tax provided by section 188(2)(a) of the Income and Corporation Taxes Act 1970.

BUDGET—SECRET

BUDGET—SECRET

31. Benefits in kind: scholarships

That charges to income tax may be imposed by provisions amending section 20 of the Finance Act 1983 (scholarships).

BUDGET—SECRET

BUDGET—SECRET

32. Share options

That provision may be made in relation to share options.

BUDGET—SECRET

BUDGET—SECRET

33. Business expansion scheme

That provision may be made excluding farming from the trades which are treated as qualifying trades for the purposes of Schedule 5 to the Finance Act 1983.

BUDGET—SECRET

BUDGET—SECRET

34. Schedule B

That provision may be made amending section 92 of the Income and Corporation Taxes Act 1970 so far as it relates to the circumstances in which a person is deemed to be the occupier of woodlands for the purposes of Schedule B.

BUDGET—SECRET

BUDGET—SECRET

35. Groups and consortia

That, provision may be made—

- (a) varying the circumstances in which a company is owned by a consortium and in which a company is a member of a consortium; and
- (b) varying the basis of apportionment applied under section 262(2) of the Taxes Act where, otherwise than at the end of an accounting period, a company becomes or ceases to be a member of a group or begins or ceases to fulfil the conditions for relief for a consortium.

BUDGET—SECRET

BUDGET—SECRET

36. Stock relief

That provision may be made ending the relief provided by Schedule 9 to the Finance Act 1981 as from 13th March 1984.

BUDGET—SECRET

BUDGET—SECRET

37. Deep discount securities

That charges to income tax, capital gains tax and corporation tax may be imposed by provisions relating to certain redeemable securities issued at a price less than the amount payable on their redemption.

BUDGET—SECRET

BUDGET—SECRET

38. Grants under Industrial Development (Northern Ireland) Order 1982

That provision may be made amending section 42 of the Finance Act 1980 (grants under Industry Act 1972 etc.) with respect to payments made by way of grant under the Industrial Development (Northern Ireland) Order 1982.

BUDGET—SECRET

BUDGET—SECRET

39. Amendments to territorial extension of tax

That provision may be made—

- (a) bringing within section 38 of the Finance Act 1973 gains accruing on the disposal of certain assets used in connection with exploration or exploitation activities; and
- (b) with respect to payments in respect of tax assessed by virtue of that section.

BUDGET—SECRET

BUDGET—SECRET

40. Initial and first-year allowances

That, with respect to expenditure incurred before 1st April 1985,

- (a) the rate of an initial allowance under section 1 of the Capital Allowances Act 1968 or Schedule 12 to the Finance Act 1982 shall be one-half; and
- (b) the rate of a first-year allowance under section 41 of the Finance Act 1971 shall be three-quarters.

BUDGET—SECRET

BUDGET—SECRET

41. Capital gains

That charges to capital gains tax and corporation tax may be imposed by provisions—

- (a) repealing sections 6, 8, 9 and 148 of the Capital Gains Tax Act 1979;
- (b) amending section 80 of the Finance Act 1981 with respect to certain payments received on or after 6th April 1984;
- (c) relating to the meaning of “settlement”, “settlor” and “settled property” for the purposes of section 80 to 84 of the Finance Act 1981; and
- (d) making amendments to Schedule 6 of the Finance Act 1983 which have effect as if they had been included in that Schedule when originally enacted.

BUDGET—SECRET

BUDGET—SECRET

42. Oil exploration and exploitation activities

That charges to income tax, corporation tax and capital gains tax may be imposed by provisions—

- (a) terminating repayment of advance corporation tax under section 17(3) of the Oil Taxation Act 1975 with respect to accounting periods ending on or after 13th March 1984;
- (b) limiting the allowances which may be claimed under Chapter I of Part III of the Finance Act 1971 on a transfer within Schedule 17 to the Finance Act 1980, of the whole or part of the interest in an oil field;
- (c) restricting the losses and other amounts which may be set against certain chargeable gains arising on disposals of interests in licences, oil and other assets used in connection with any of the activities mentioned in section 13(1) of the Oil Taxation Act 1975; and
- (d) restricting relief under Part VI of the Capital Gains Tax Act 1979 in certain cases where the assets replaced have been used in connection with any of those activities.

BUDGET—SECRET

BUDGET—SECRET

43. Controlled foreign companies

That provision may be made imposing charges to corporation tax on companies resident in the United Kingdom which have interests in certain companies not so resident.

BUDGET—SECRET

BUDGET—SECRET

44. Offshore funds

That charges to income tax and corporation tax may be imposed by reference to gains accruing on the disposal on or after 1st January 1984 of certain interests in—

- (a) companies which are resident outside the United Kingdom;
- (b) unit trust schemes, the trustees of which are resident outside the United Kingdom; and
- (c) certain other arrangements which take effect by virtue of the law of a territory outside the United Kingdom.

BUDGET—SECRET

BUDGET—SECRET

45. Capital transfer tax

That it is expedient to authorise amendments of the law relating to capital transfer tax which are designed to facilitate, or are otherwise desirable in connection with, the consolidation of that law.

BUDGET—SECRET

BUDGET—SECRET

46. Reduction of stamp duty on conveyances and leases

That the following provisions shall have effect for the period beginning 20th March 1984 and ending 31 days after the earliest of the dates mentioned in section 50(2) of the Finance Act 1973—

(1) In subsection (1) of section 55 of the Finance Act 1963 and subsection (1) of section 4 of the Finance Act (Northern Ireland) 1963 for paragraphs (a) to (e) there shall be substituted the following paragraphs:—

“(a) where the amount or value of the consideration is £30,000 or under and the instrument is certified, as described in section 34(4) of the Finance Act 1958 at £30,000, nil;

(b) where paragraph (a) above does not apply and the amount or value of the consideration does not exceed £500, the rate of 50p for every £50 or part of £50 of the consideration; and

(c) where paragraph (a) above does not apply and the amount or value of the consideration exceeds £500, the rate of £1 for every £100 or part of £100 of the consideration”;

and in subsection (2) of each of those sections for the words from “as if” onwards there shall be substituted the words “as if paragraph (a) and, in paragraphs (b) and (c), the words” “paragraph (a) above does not apply and were omitted.”

(2) Part III of Schedule 11 to the Finance Act 1974 (saving for certain transfers of stock or marketable securities) shall cease to have effect.

(3) Subject to paragraph (4) below, the foregoing provisions shall apply—

(a) to instruments executed on or after 20th March 1984; and

(b) to instruments executed on or after 13th March 1984 which are stamped on or after 20th March 1984;

and, for the purposes of section 14(4) of the Stamp Act 1891 (instruments not to be given in evidence etc. unless stamped in accordance with the law in force at the time of first execution), the law in force at the time of execution of an instrument falling within sub-paragraph (b) above shall be deemed to be that as varied in accordance with the foregoing provisions.

(4) In the case of an instrument giving effect to a stock exchange transaction, as defined in section 4 of the Stock Transfer Act 1963, the foregoing provisions do not apply unless the transaction takes place on or after 12th March 1984 and is one in respect of which settlement is due on or after 13th March 1984.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of section 50 of the Finance Act 1973.

BUDGET—SECRET

BUDGET—SECRET

47. Stamp duty: sub-sales

That the following provisions shall have effect for the period beginning 20th March 1984 and ending 31 days after the earliest of the dates mentioned in section 50(2) of the Finance Act 1973—

(1) In subsection (4) of section 58 of the Stamp Act 1891 (in case of a sub-sale to a single purchaser, duty chargeable only on consideration moving from the sub-purchaser) after the words “conveyed immediately to the sub-purchaser” there shall be inserted the words “then, except where—

- (a) the chargeable consideration moving from the sub-purchaser is less than the value of the property immediately before the contract of sale to him, and
- (b) the conveyance is not one to which section 107 of the Finance Act 1981 (sales of houses at discount by local authorities etc.) applies”.

(2) In subsection (5) of section 58 of the Stamp Act 1891 (in case of a sub-sale in parts or parcels to different sub-purchasers, each conveyance chargeable with duty only on consideration moving from the sub-purchaser) after the words “to different persons in parts or parcels” there shall be inserted the words “then, except where the aggregate of the chargeable consideration for the sale of all such parts or parcels is less than the value of the whole of the property immediately before the contract for their sale or, as the case may be, the first contract for the sale of any of them”.

(3) At the end of the said section 58 there shall be inserted the following subsection:—

“(7) Any reference in subsection (4) or subsection (5) of this section to chargeable consideration is a reference to consideration which falls to be brought into account in determining the duty (if any) chargeable on the conveyance to the sub-purchaser or, as the case may be, on the conveyance of each of the parts or parcels in question; and in any case where it is necessary for the purposes of either of those subsections to determine the value of any property, that value shall be determined as for the purposes of section 74 of the Finance (1909–10) Act 1910 (gifts inter vivos).”

(4) The foregoing provisions apply where the contract for the sub-sale or, as the case may be, the first contract for sub-sale of a part or parcel is entered into on or after 20th March 1984.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of section 50 of the Finance Act 1973.

BUDGET—SECRET

BUDGET—SECRET

48. Stamp duty: agreements for leases

That the following provisions shall have effect for the period beginning 20th March 1984 and ending 31 days after the earliest of the dates mentioned in section 50(2) of the Finance Act 1973—

—(1) In section 75 of the Stamp Act 1891 (agreements for leases for terms not exceeding 35 years to be stamped as if they were leases) in subsection (1) the words “not exceeding thirty-five years” shall be omitted and for subsection (2) (5 pence stamp on lease in conformity with duly stamped agreement) there shall be substituted the following subsection:—

“(2) Where duty has been duly paid on an agreement for a lease or tack and, subsequent to that agreement, a lease or tack is granted which either—

(a) is in conformity with the agreement, or

(b) relates to substantially the same property and term as the agreement,

then the duty which would otherwise be charged on the lease or tack shall be reduced (or, as the case may be, extinguished) by the deduction therefrom of the duty paid on the agreement.”

(2) In any case where—

(a) an interest in land is conveyed or transferred subject to an agreement for a lease or tack for a term exceeding 35 years, or

(b) a lease or tack is granted subject to an agreement for a lease or tack for a term exceeding 35 years,

then, whether or not the conveyance, transfer, lease or tack is expressed to be so subject, it shall not be taken to be duly stamped unless there is denoted upon the conveyance, transfer, lease or tack the duty paid on the agreement; and section 11 of the Stamp Act 1891 shall have effect for this purpose as if the duty chargeable on the conveyance, transfer, lease or tack depended on the duty paid on the agreement.

(3) For the purposes of paragraph (2) above, an interest conveyed or transferred or, as the case may be, a lease or tack granted is not to be regarded as subject to an agreement for a lease or tack if that agreement is directly enforceable against another interest in the land in relation to which the interest conveyed or transferred or, as the case may be, the lease or tack granted is a superior interest.

(4) In section 15 of the Stamp Act 1891 (stamping of instruments after execution) in the Table following paragraph (d) of subsection (2) (instruments as to which certain special provisions apply), after the entry beginning “lease or tack”, there shall be inserted:—

“Agreement for lease or tack
chargeable under section 75

The person contracting for the lease or tack
to be granted to him or another.”

(5) The foregoing provisions apply to any agreement for a lease or tack entered into on or after 20th March 1984.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of section 50 of the Finance Act 1973.

BUDGET—SECRET

BUDGET—SECRET

49. Stamp duty: sale of houses at discount by certain bodies

That, for the period beginning 20th March 1984 and ending 31 days after the earliest of the dates mentioned in section 50(2) of the Finance Act 1973, section 107 of the Finance Act 1981 shall have effect—

(a) with the addition to subsection (3) of the following paragraph—

“(n) the United Kingdom Atomic Energy Authority”; and

(b) with the insertion, after subsection (3), of the following subsection:—

“(3A) This section also applies to any conveyance or transfer on sale of a dwelling-house (including the grant of a lease) where the conveyance or transfer is made pursuant to a sub-sale made at a discount by a body falling within subsection (3)(f) above.”

The foregoing provisions shall apply—

(a) to instruments executed on or after 20th March 1984; and

(b) to instruments executed on or after 13th March 1984 and stamped on or after 20th March 1984;

and, for the purposes of section 14(4) of the Stamp Act 1891 (instruments not to be given in evidence etc. unless stamped in accordance with the law in force at the time of first execution), the law in force at the time of execution of an instrument falling within sub-paragraph (b) above shall be deemed to be that as varied in accordance with the foregoing provisions.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of section 50 of the Finance Act 1973.

BUDGET—SECRET

BUDGET—SECRET

50. Oil Taxation (reliefs for expenditure and losses)

That provision may be made for restricting the amounts allowable under section 5, 5A or 6 of the Oil Taxation Act 1975 on claims made after 13th September 1983.

BUDGET—SECRET

BUDGET—SECRET

51. Oil taxation (payments for minimum delivery and capacity payments)

That provision may be made with respect to the treatment, for the purposes of Part I of the Oil Taxation Act 1975, of certain sums forming part of the consideration payable under contracts for the sale of oil won from an oil field.

BUDGET—SECRET

BUDGET—SECRET

52. Relief from tax (incidental and consequential charges)

That it is expedient to authorise any incidental or consequential charges to any duty or tax (including charges having retrospective effect) which may arise from provisions designed in general to afford relief from tax.

BUDGET—SECRET

BUDGET—SECRET

PROCEDURE RESOLUTIONS

PROCEDURE (LOANS BY PUBLIC WORKS LOAN COMMISSIONERS): That, notwithstanding anything to the contrary in the practice of the House relating to matters which may be included in Finance Bills, any Finance Bill of the present Session may contain provision with respect to the power of the Public Works Loan Commissioners to make loans in pursuance of section 3 of the National Loans Act 1968 and the limit on such loans.

BUDGET—SECRET

BUDGET—SECRET

PROCEDURE (FUTURE TAXATION): That, notwithstanding anything to the contrary in the practice of the House relating to matters which may be included in Finance Bills, any Finance Bill of the present Session may contain the following provisions taking effect in a future year—

- (a) provisions charging corporation tax for the financial years 1984, 1985 and 1986 at the rate of 45 per cent., 40 per cent. and 35 per cent. respectively and provisions having effect for all or any of those years with respect to—
 - (i) the small companies rate; and
 - (ii) the fractions referred to in sections 93(2) and 95(2) of the Finance Act 1972; and
 - (iii) the special rate for the purposes of section 96 of that Act;
- (b) provisions with respect to initial allowances under section 1 of the Capital Allowances Act 1968 and Schedule 12 to the Finance Act 1982;
- (c) provisions with respect to first-year allowances under section 41 of the Finance Act 1971;
- (d) provisions abolishing the relief from income tax provided by section 23(3) of the Finance Act 1974, paragraph 3 of Schedule 2 to that Act, paragraphs 2 and 3 of Schedule 7 to the Finance Act 1977 and section 27 of the Finance Act 1978;
- (e) provisions requiring certain banks and other deposit-takers making certain payments of interest to account for and pay amounts representing income tax on the grossed up amounts of those payments;
- (f) abolishing the surcharge payable under the National Insurance Surcharge Act 1976 with respect to secondary Class I contributions payable by any of the bodies mentioned in section 143(4) of the Finance Act 1982.

BUDGET—SECRET

BUDGET—SECRET

LXXIV—A(2)

7th March, 1984

BUDGET—SECRET

6.26-8 MAR 1984

BUDGET SECRET



CH/EX REF. NO. B(84)521

FROM: MISS J C SIMPSON

DATE: 8 March 1984

cc PS/Chief Secretary
PS/Financial Secretary
PS/Economic Secretary
PS/Minister of State
Sir P Middleton
Mr Cassell
Mr Battishill
Mr Monger
Mr R I G Allen
Mr Griffiths
Mr Ridley
Mr Lord
PS/IR
Mr P Lewis - IR
PS/C&E
Mr P Wilmott - C&E
Mr Graham - Parly Counsel

MR MARTIN

FINANCE BILL: AMENDMENT OF THE LAW RESOLUTION

The Chancellor has seen your minute of 1 March and the comments from the Minister of State and the Chief Secretary. He agrees with the Chief Secretary that the amendment of the law resolution should certainly be restricted as proposed in paragraph 8 of your submission. He has also commented that there should be separate VAT resolutions for the separate groups of VAT extension.

B

MISS J C SIMPSON

- 8 MAR 1984

BUDGET SECRET



FROM: M E Corcoran

DATE: 8 March 1984

PS/CHIEF SECRETARY

cc PS/Chancellor
PS/Financial Secretary
PS/Economic Secretary
Sir Peter Middleton
Mr Cassell
Mr Monck
Mr Battishill
Mr Monger
Mr Griffiths
Mr R I G Allen
Mr F Martin
Mr R A W Rex

BUDGET RESOLUTIONS

The Minister of State has read Mr Rex's submission of 7 March. Apart from the changes needed to reflect yesterday's decisions, the Minister thinks there should not be an amalgamation of the VAT extension resolutions into a single resolution and that the resolutions should be so framed as to preclude amendments seeking to bring the items involved into tax at a lower rate.

I am pursuing separately another query the Minister had - why free ports have now become free zones. I understand this change is to reflect European legislation and I mention the Minister's query here only so that Mr Rex is aware of it.

MEC

M E CORCORAN
Private Secretary

BUDGET SECRET

BUDGET SECRET

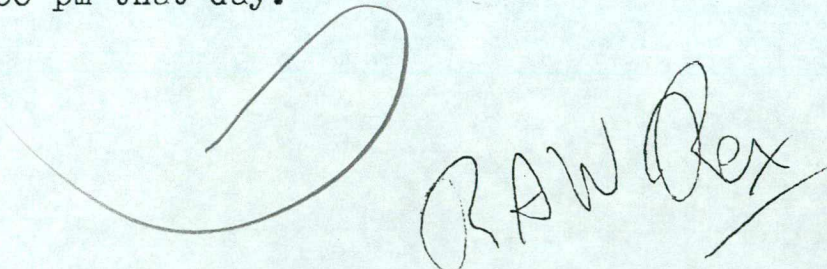
FROM: R A W REX
9 MARCH 1984

CHIEF SECRETARY

cc PS/Chancellor
PS/Financial Secretary
PS/Economic Secretary
PS/Minister of State
Sir P Middleton ✓
Mr Cassell
Mr Monck
Mr Battishill
Mr Monger
Mr Griffiths
Mr R I G Allen
Mr F Martin

BUDGET RESOLUTIONS

Attached is the semi-final print of the Budget Resolutions.
If there are any comments, it would be helpful to have them by
early Monday morning, as the final print goes to the printer at
4.00 pm that day.



RAW REX

RA W REX