



# FINANCIAL STATEMENT (1965-66)

7 APR 1965

RETURN to an Order of the Honourable The House of Commons  
dated 6 April, 1965:—for

COPY of "STATEMENT of REVENUE and EXPENDITURE as laid  
before the House by the CHANCELLOR OF THE EXCHEQUER  
when opening the BUDGET"

Treasury Chambers,  
6 April, 1965 } NIALl MACDERMOT

(Niall MacDermot)

*Ordered by The House of Commons to be Printed*  
*6 April, 1965*

LONDON  
HER MAJESTY'S STATIONERY OFFICE

THREE SHILLINGS NET



## CONTENTS

<i>Table</i>	<i>Page</i>
1. <b>Proposed changes in taxation</b> ... ..	5-14
2. <b>Estimated effect of changes in taxation</b> ... ..	15
3. <b>Income Tax: amount of tax and effective rate for specimen incomes</b>	16-23
<b>National Insurance contributions and tax, 1965-66</b> ...	24-25
<b>Exchequer Account, 1964-65 and 1965-66</b>	
4. <b>Taxation and Miscellaneous Receipts</b> ... ..	26
5. <b>Supply Services and Consolidated Fund Standing Services</b> ...	27
6. <b>Consolidated Fund Loans to Industry</b> ... ..	28
7. <b>Other Consolidated Fund Loans</b> ... ..	29
8. <b>Exchequer Borrowing and Special Transactions</b> ... ..	30
9. <b>Summary of Exchequer Receipts and Issues</b> ... ..	31
10. <b>Reconciliation of new with previous classification</b> ... ..	32
11. <b>National Accounts Classification of Central Government Transactions</b>	33
Annex—Reconciliation of Tables 9 and 11 ... ..	34



## FINANCIAL STATEMENT 1965-66

### FOREWORD

The layout of the present Financial Statement differs in several respects from the form used in the past. This note sets out briefly the principal changes.

2. In its new form the Statement begins with the tax changes proposed in the Budget and their estimated effect on the revenue (Tables 1 to 3). The Tables which follow (4 to 9) now show Exchequer receipts and payments in a form which brings together for each heading the outturn of the past year, and the estimates for the coming year both on the basis of existing tax rates and allowing for the Budget changes. The Summary (Table 9) is in a revised form; in Table 10 the new presentation is reconciled with the previous one. The Statement also includes a national accounts classification (Table 11) of the transactions of the central government sector, including the National Insurance Funds, on the definitions used in the statistics of national income and expenditure published by the Central Statistical Office. The Annex provides a reconciliation between Tables 9 and 11.

3. Several changes of classification have been introduced into the Exchequer tables, although the basic content remains unaltered. Consolidated Fund services have been divided into:—

- (a) Consolidated Fund Standing Services, *i.e.*, those which represent expenditure for which no annual authority is required, but which are otherwise analogous to Supply expenditure (Table 5); and
- (b) Consolidated Fund Loans, which have been subdivided into two main groups—loans to industry (Table 6) and other Consolidated Fund loans (Table 7).

Category (a) comprises the Consolidated Fund Services previously included above the line, less the statutory Sinking Funds which have been transferred to the Exchequer borrowing transactions (Table 8), plus the capital element of post-war credits and war damage compensation, plus also interest payments matched by interest receipts on Consolidated Fund loans. These interest payments and receipts have been treated in the past as self-balancing in the Exchequer accounts below the line and the charges for National Debt interest were shown net of those receipts. In the new layout the interest receipts are shown as revenue along with other interest and dividends (Table 4) and the corresponding payments are included as part of the gross charge for National Debt interest (Table 5).

4. These changes in the layout of the Financial Statement will not affect the form of the statutory accounts of Exchequer receipts and issues (the Public Income and Expenditure Account and the Consolidated Fund Abstract Account). These will remain in the form required by the relevant statutes.

5. The changes described above, together with the revised form of the Summary (Table 9), have been made with three main purposes in mind. First, they simplify the presentation and make some improvements in the classification; and it is thus possible to present in a single table the main figures for 1964-65 (Budget estimate and outturn) and for 1965-66 (before and after Budget changes). Second, they



display more clearly the relationship between Exchequer borrowing and Exchequer lending; and they demonstrate how much of Exchequer lending is to finance industrial investment. Third, they relate the Exchequer accounts to the national accounts classification of central government transactions, and so to the national income accounts; they show central government transactions classified by economic category, *i.e.*, by the way in which they affect the private sector of the economy and the productive system generally; they also bring out the net borrowing from the public by the whole of the central government sector (and not merely the Exchequer).

6. The effect of the change is to revise the concept of "the line" and to present the whole accounts, for the purposes of the Financial Statement, with the borrowing requirement no longer set out independently of the purpose of the borrowing.



# TABLE 1.—PROPOSED CHANGES IN TAXATION

## INLAND REVENUE

### INCOME TAX

It is proposed to raise the exemption limits for persons aged 65 and over from £360 to £390 for single persons and from £575 to £625 for married couples.

It is proposed to abolish the tax allowances for National Insurance contributions, and to increase the single person's allowance and the maximum of the wife's earned income allowance from £200 to £220 and the married allowance from £320 to £340.

It is proposed to increase the income limit for the dependent relative allowance so that the full allowance of £75 will be given where the relative's income does not exceed £210 (the allowance being reduced thereafter by £1 for each £ by which the relative's income exceeds that figure).

These proposals will operate for the whole year 1965–66. Effect will be given to them for P.A.Y.E. purposes on the first pay day after 7th June, 1965.

It is proposed to exempt from tax the annuity which is to be paid to holders of the George Cross.

It is proposed to correct a flaw in the transitional provisions relating to Case VIII in the Finance Act 1963, under which agricultural land owners may in effect get double relief for the same expenditure on maintaining their property.

### SURTAX

It is proposed to treat income under certain settlements in favour of individual beneficiaries which are entered into after 6th April, 1965, as income of the settlor for Surtax purposes.

### PROFITS TAX

It is proposed that the Profits Tax shall terminate at 5th April, 1966.

It is proposed that where income arising from any source before 6th April, 1966, is chargeable to Corporation Tax, it shall be left out of account for Profits Tax.

### INCOME TAX AND PROFITS TAX

It is proposed to abolish the initial allowance for ordinary motor-cars purchased after 6th April, 1965.

It is proposed to disallow expenditure on business entertaining after 6th April, 1965, as a deduction for tax purposes. The disallowance will not, however, apply to reasonable expenditure incurred in entertaining overseas customers and their agents.

It is proposed to amend the scope of Case VII of Schedule D, which applies to short-term gains, in three main respects. First, the tax will in future apply to gains realised on all assets falling within the scope of the Capital Gains Tax. Second, the tax will apply in relation to assets acquired after 6th April, 1965, only if the asset is disposed of within twelve months of acquisition; this time limit will be the same for land acquired after 6th April, 1965, as for other assets. Third, the tax will in future apply only to gains realised by persons other than companies.

### CORPORATION TAX

It is proposed to introduce a Corporation Tax on the total income of companies to replace the Income Tax and Profits Tax. The new tax will fall on income arising after that which is the basis of the charge for Income Tax for 1965–66.



TABLE 1.—PROPOSED CHANGES IN TAXATION—*continued*INLAND REVENUE—*continued*CORPORATION TAX—*continued*

Companies will be required to account for Income Tax at the standard rate on dividends and other distributions after 5th April, 1966.

It is proposed that during a transitional period of five years companies paying dividends out of income from direct investment overseas should get a measure of relief in respect of overseas taxes which exceed the Corporation Tax.

With effect from a date to be determined it is proposed:

- (i) that relief, in the case of portfolio investment, shall cease to be given unilaterally to the recipient of a dividend from an overseas company in respect of overseas tax paid by the company on its profits,
- and (ii) that the amount of credit allowable to a person resident in the United Kingdom in respect of overseas tax shall be determined by reference to his marginal rate of United Kingdom tax.

It is proposed to abolish the scheme for overseas trade corporations with effect from 6th April, 1966.

## CAPITAL GAINS TAX

It is proposed to introduce a capital gains tax on gains, not otherwise chargeable to income tax or corporation tax, accruing on the disposal of assets after 6th April, 1965. Losses will be set off against gains of the same year, any excess of losses being carried forward and set off against future gains. Where the assets were acquired on or before 6th April, 1965, only so much of the gain as arises after that date will be taxable; but the gain to be charged or loss to be relieved will not be greater than the gain or loss actually accruing.

It is proposed that the tax shall apply to gains accruing on the disposal of all forms of property, including incorporeal property. There will, however, be certain exceptions, *e.g.*, the principal private residence, National Savings Certificates, National Development Bonds, Defence Bonds and Premium Savings Bonds and sums received on the maturity or surrender of normal policies of life assurance.

It is proposed that persons (including companies) who are resident or ordinarily resident in the United Kingdom should be liable to tax on all gains wherever the underlying assets are situated. Individuals who are not of United Kingdom domicile will, however, be liable on gains realised from assets situated abroad only to the extent that those gains are remitted to this country. Non-residents will be liable to the tax only on gains realised in respect of assets belonging to a permanent establishment through which they are carrying on a trade or business here.

It is proposed that the rate of capital gains tax on individuals shall be 30 per cent. If, however, it is to the taxpayer's advantage, the tax payable by him will be calculated as if two-thirds of his net gains of the year had been charged to income tax and surtax as the highest part of his income for that year.

Gains realised by companies—whether short-term or long-term—will be charged to corporation tax. Capital gains of companies whose profits or income arising in 1965–66 are assessable to income tax on the current year basis and not to corporation tax will be charged to capital gains tax for 1965–66 at 35 per cent.

## STAMP DUTIES

It is proposed to nullify certain devices for avoidance of the *ad valorem* stamp duty on transfers.

It is proposed to empower the Court to award interest on stamp duty refunded by the Crown in consequence of a judicial decision.







TABLE 1.—PROPOSED CHANGES IN TAXATION—*continued*CUSTOMS AND EXCISE—*continued*CUSTOMS—*continued*

	Existing duties			Proposed duties				
	Full rate	Common-wealth Preference rate	E.F.T.A. rate	Full rate	Common-wealth Preference rate	E.F.T.A. rate		
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.		
BEER—	per 36 gallons			per 36 gallons				
Of an original gravity of 1,030 degrees or less ...	8 7 2	7 7 2	7 7 2	9 11 2	8 11 2	8 11 2		
In the case of beer of an original gravity exceeding 1,030 degrees, the above rates of duty are increased by 7s. 3½d. for each additional degree.								
WINE—	per gallon			per gallon				
Light wine*—								
Still—								
Not in bottle ...	0 15 6	0 13 6	There are no separate E.F.T.A. rates; the full rates of duty are therefore chargeable	0 18 6	0 16 6	There are no separate E.F.T.A. rates; the full rates of duty are therefore chargeable		
In bottle ...	0 18 0	0 15 0		1 1 0	0 18 0			
Sparkling ...	1 8 0	1 6 0		1 11 0	1 9 0			
Heavy wine*—								
Still—								
Not in bottle ...	1 10 6	1 0 6	There are no separate E.F.T.A. rates; the full rates of duty are therefore chargeable	1 16 6	1 6 6	There are no separate E.F.T.A. rates; the full rates of duty are therefore chargeable		
In bottle ...	1 13 0	1 2 0		1 19 0	1 8 0			
Sparkling ...	2 3 0	1 13 0		2 9 0	1 19 0			
For each degree or fraction of a degree above 42 degrees an additional	0 2 6	0 1 8		0 3 1	0 2 3			

\* Light wine means wine not exceeding 27 degrees proof spirit in the case of wine entitled to Commonwealth preference rates of duty or 25 degrees in the case of other wine. Heavy wine means wine exceeding these limits.



TABLE 1.—PROPOSED CHANGES IN TAXATION—*continued*CUSTOMS AND EXCISE—*continued*

## EXCISE

*Tobacco, spirits, beer and British wine.*—It is proposed to increase, from 7th April, 1965, the Excise duties on tobacco, spirits, beer and British wine. The existing duties and the proposed duties are as follows:

	Existing duties	Proposed duties
	£ s. d. per lb.	£ s. d. per lb.
<b>TOBACCO—</b>		
Tobacco, unmanufactured—		
Containing 10 per cent. or more moisture ...	3 15 8	4 5 8
Containing less than 10 per cent. moisture ...	3 16 6	4 6 6
Tobacco, manufactured—		
Cavendish or Negrohead manufactured in bond ...	3 17 11	4 7 11
	per proof gallon	per proof gallon
<b>SPIRITS</b> ... ..	12 17 6	14 12 0

In the case of spirits warehoused for less than 3 years, the above rates of duty are increased by 1s. 6d. a proof gallon.

<b>BEER—</b>	per 36 gallons	per 36 gallons
Of an original gravity of 1,030 degrees or less ...	7 7 0	8 11 0

In the case of beer of an original gravity exceeding 1,030 degrees, the above rates of duty are increased by 7s. 3½d. for each additional degree.

	per gallon	per gallon
<b>BRITISH WINE—</b>		
<b>Light*—</b>		
Still ... ..	0 13 0	0 16 0
Sparkling ... ..	0 19 0	1 2 0
<b>Heavy*—</b>		
Still ... ..	0 13 0	0 17 0
Sparkling ... ..	0 19 0	1 3 0

\* Light British wine means wine not exceeding 27 degrees proof spirit. Heavy British wine means wine exceeding this limit.

*Purchase tax.*—It is proposed to provide that the value for purchase tax of goods consisting of or containing copyright matter shall include the value of the copyright.



TABLE 1.—PROPOSED CHANGES IN TAXATION—*continued*

## MOTOR VEHICLE DUTIES

Increases are proposed in the licence duty on all motor vehicles which are chargeable with duty under Section 1 of the Vehicles (Excise) Act, 1962, and on trade licences taken out under Section 12 of the Act, except

- (a) hackney carriages (which include 'buses and coaches)—for which the rate of duty will remain unchanged;
- (b) local authorities' watering vehicles—which will be exempt from duty; and
- (c) tower wagons used for street lighting maintenance—which will be exempt from duty;

It is proposed to simplify the schedules of rates of duty by:

- (a) combining the concession rates applicable to certain motor cars into one;
- (b) reducing to three the number of rates applicable to vehicles not exceeding 8 cwt., unladen weight (motor-cycles, three-wheelers and pedestrian-controlled vehicles);
- (c) reducing the number of rates applicable to goods vehicles. Electrically-propelled goods vehicles will pay duty at the same rates as Showmen's goods vehicles; and goods vehicles propelled by steam or gas will pay duty at the same rates as general goods carrying vehicles.

It is proposed that these increases and changes shall take effect forthwith.

Specimen new rates now proposed for the main classes of vehicles are as follows:

Description of vehicle	Exceeding	Not exceeding	Present rates		Proposed rates	
			12 months	4 months	12 months	4 months
MOTOR CARS—			£ s.	£ s.	£ s.	£ s.
First registered before 1st January, 1947 ...	—	6 h.p.	10 15	3 19	12 10	4 12
First registered before 1st January, 1947 ...	6 h.p.	7 h.p.	12 10	4 12	12 10	4 12
Others ...	—	—	15 0	5 10	17 10	6 8
MOTOR CYCLES—						
Used without sidecar ...	—	150 c.c.	1 0	—	2 0	—
Used without sidecar ...	150 c.c.	250 c.c.	2 5	—	4 0	—
Used without sidecar ...	250 c.c.	—	4 10	1 13	8 0	2 19
Used with sidecar ...	—	150 c.c.	1 12	—	2 0	—
Used with sidecar ...	150 c.c.	250 c.c.	2 17	—	4 0	—
Used with sidecar ...	250 c.c.	—	6 0	2 4	8 0	2 19
THREE-WHEELERS ...	—	8 cwt.	6 0	2 4	8 0	2 19
AGRICULTURAL TRACTORS, EXCAVATORS, MOBILE CRANES ...	—	—	2 10	—	3 15	—
GENERAL HAULAGE	—	2 tons	30 0	11 0	45 0	16 10
TRACTORS	2 tons	4 tons	48 0	17 12	72 0	26 8
	4 tons	6 tons	66 0	24 4	99 0	36 6
	6 tons	7½ tons	84 0	30 16	126 0	46 4
	7½ tons	8 tons	102 0	37 8	153 0	56 2
	8 tons	9 tons	120 0	44 0	180 0	66 0
	9 tons	10 tons	138 0	50 12	207 0	75 18
For each additional ton or part ton ...	—	—	18 0	*	27 0	*

\* The four-monthly rate of duty for a vehicle over ten tons shall be an amount equal to eleven-thirtieths of the annual rate of duty, rounded up or down to the nearest shilling, sixpence being rounded down.



TABLE 1.—PROPOSED CHANGES IN TAXATION—*continued*MOTOR VEHICLE DUTIES—*continued*

Exceeding	Not exceeding	Used without trailer Present rates		Used without trailer Proposed rates	
		12 months	4 months	12 months	4 months
		£ s.	£ s.	£ s.	£ s.
Goods (Farmers)—					
—	12 cwt.	12 0	4 8	18 0	6 12
12 cwt.	16 cwt.	†12 15	†4 13	19 5	7 1
16 cwt.	1 ton	†13 10	†4 19	20 5	7 8
1 ton	—				
1 ton	5 cwt.	†14 5	†5 4	21 10	7 18
1 ton 5 cwt.	1 ton 10 cwt.	14 15	5 8	22 5	8 3
1 ton 10 cwt.	1 ton 15 cwt.	15 5	5 12	23 0	8 9
1 ton 15 cwt.	2 tons	15 15	5 15	23 15	8 14
2 tons	—				
2 tons	5 cwt.	16 10	6 1	25 0	9 3
2 tons 5 cwt.	2 tons 10 cwt.	17 5	6 6	26 5	9 12
2 tons 10 cwt.	2 tons 15 cwt.	18 5	6 14	27 10	10 2
2 tons 15 cwt.	3 tons	19 5	7 1	28 15	10 11
3 tons	—				
3 tons	5 cwt.	20 5	7 8	30 0	11 0
3 tons 5 cwt.	3 tons 10 cwt.	20 15	7 12	31 5	11 9
3 tons 10 cwt.	3 tons 15 cwt.	21 5	7 16	32 0	11 15
3 tons 15 cwt.	4 tons	21 15	7 19	32 15	12 0
4 tons	—				
4 tons	5 cwt.	22 5	8 3	33 10	12 6
4 tons 5 cwt.	4 tons 10 cwt.	22 15	8 7	34 5	12 11
4 tons 10 cwt.	4 tons 15 cwt.	23 5	8 10	35 0	12 17
4 tons 15 cwt.	5 tons	23 15	8 14	35 15	13 2
For each additional $\frac{1}{4}$ ton or part $\frac{1}{4}$ ton		10	*	15	*

\* The four-monthly rate of duty for a vehicle over five tons shall be an amount equal to eleven-thirtieths of the annual rate of duty, rounded up or down to the nearest shilling, sixpence being rounded down.

† The present rates indicated by this symbol in fact cover the following weight ranges respectively:

<i>Exceeding</i>	<i>Not exceeding</i>
12 cwt.	17 cwt.
17 cwt.	1 ton 2 cwt.
1 ton 2 cwt.	1 ton 5 cwt.



TABLE 1.—PROPOSED CHANGES IN TAXATION—*continued*MOTOR VEHICLE DUTIES—*continued*

Exceeding	Not exceeding	Used with trailer Present rates		Used with trailer Proposed rates	
		12 months	4 months	12 months	4 months
		£ s.	£ s.	£ s.	£ s.
<b>Goods (Farmers)—</b>					
—	12 cwt.	24 0	8 16	36 0	13 4
12 cwt.	16 cwt.	†24 15	†9 1	37 5	13 13
16 cwt.	1 ton	†25 10	†9 7	38 5	14 0
1 ton	—				
1 ton	5 cwt.	†26 5	†9 12	39 10	14 10
1 ton	10 cwt.	26 15	9 16	40 5	14 15
1 ton	15 cwt.	27 5	10 0	41 0	15 1
1 ton	2 tons	27 15	10 3	41 15	15 6
2 tons	—				
2 tons	5 cwt.	28 10	10 9	43 0	15 15
2 tons	10 cwt.	29 5	10 14	44 5	16 4
2 tons	15 cwt.	36 5	13 6	54 10	20 0
2 tons	3 tons	37 5	13 13	55 15	20 9
3 tons	—				
3 tons	5 cwt.	38 5	14 0	57 0	20 18
3 tons	10 cwt.	38 15	14 4	58 5	21 7
3 tons	15 cwt.	39 5	14 8	59 0	21 13
3 tons	4 tons	39 15	14 11	59 15	21 18
4 tons	—				
4 tons	5 cwt.	46 5	16 19	69 10	25 10
4 tons	10 cwt.	46 15	17 3	70 5	25 15
4 tons	15 cwt.	47 5	17 6	71 0	26 1
4 tons	5 tons	47 15	17 10	71 15	26 6
For each additional $\frac{1}{4}$ ton or part $\frac{1}{4}$ ton		10	*	15	*

\* The four-monthly rate of duty for a vehicle over five tons shall be an amount equal to eleven-thirtieths of the annual rate of duty, rounded up or down to the nearest shilling, sixpence being rounded down.

† The present rates indicated by this symbol in fact cover the following weight ranges respectively:

Exceeding	Not exceeding
12 cwt.	17 cwt.
17 cwt.	1 ton 2 cwt.
1 ton 2 cwt.	1 ton 5 cwt.



TABLE 1.—PROPOSED CHANGES IN TAXATION—*continued*MOTOR VEHICLE DUTIES—*continued*

Exceeding	Not exceeding	Used without trailer Present rates		Used without trailer Proposed rates	
		12 months	4 months	12 months	4 months
		£ s.	£ s.	£ s.	£ s.
Goods General—					
—	12 cwt.	12 0	4 8	18 0	6 12
12 cwt.	16 cwt.	15 0	5 10	22 10	8 5
16 cwt.	1 ton	18 0	6 12	27 0	9 18
1 ton	1 ton 5 cwt.	21 0	7 14	31 10	11 11
1 ton 5 cwt.	1 ton 10 cwt.	24 0	8 16	36 0	13 4
1 ton 10 cwt.	1 ton 15 cwt.	27 0	9 18	40 10	14 17
1 ton 15 cwt.	2 tons	30 0	11 0	45 0	16 10
2 tons	2 tons 5 cwt.	33 0	12 2	49 10	18 3
2 tons 5 cwt.	2 tons 10 cwt.	36 0	13 4	54 0	19 16
2 tons 10 cwt.	2 tons 15 cwt.	39 0	14 6	58 10	21 9
2 tons 15 cwt.	3 tons	42 0	15 8	63 0	23 2
3 tons	3 tons 5 cwt.	46 10	17 1	69 15	25 11
3 tons 5 cwt.	3 tons 10 cwt.	51 0	18 14	76 10	28 1
3 tons 10 cwt.	3 tons 15 cwt.	55 10	20 7	83 5	30 10
3 tons 15 cwt.	4 tons	60 0	22 0	90 0	33 0
4 tons	4 tons 5 cwt.	66 0	24 4	99 0	36 6
4 tons 5 cwt.	4 tons 10 cwt.	72 0	26 8	108 0	39 12
4 tons 10 cwt.	4 tons 15 cwt.	78 0	28 12	117 0	42 18
4 tons 15 cwt.	5 tons	84 0	30 16	126 0	46 4
5 tons	5 tons 5 cwt.	90 0	33 0	135 0	49 10
5 tons 5 cwt.	5 tons 10 cwt.	96 0	35 4	144 0	52 16
5 tons 10 cwt.	5 tons 15 cwt.	102 0	37 8	153 0	56 2
5 tons 15 cwt.	6 tons	108 0	39 12	162 0	59 8
6 tons	6 tons 5 cwt.	114 0	41 16	171 0	62 14
6 tons 5 cwt.	6 tons 10 cwt.	120 0	44 0	180 0	66 0
6 tons 10 cwt.	6 tons 15 cwt.	126 0	46 4	189 0	69 6
6 tons 15 cwt.	7 tons	132 0	48 8	198 0	72 12
7 tons	7 tons 5 cwt.	138 0	50 12	207 0	75 18
7 tons 5 cwt.	7 tons 10 cwt.	144 0	52 16	216 0	79 4
7 tons 10 cwt.	7 tons 15 cwt.	150 0	55 0	225 0	82 10
7 tons 15 cwt.	8 tons	156 0	57 4	234 0	85 16
8 tons	8 tons 5 cwt.	162 0	59 8	243 0	89 2
8 tons 5 cwt.	8 tons 10 cwt.	168 0	61 12	252 0	92 8
8 tons 10 cwt.	8 tons 15 cwt.	174 0	63 16	261 0	95 14
8 tons 15 cwt.	9 tons	180 0	66 0	270 0	99 0
9 tons	9 tons 5 cwt.	186 0	68 4	279 0	102 6
9 tons 5 cwt.	9 tons 10 cwt.	192 0	70 8	288 0	105 12
9 tons 10 cwt.	9 tons 15 cwt.	198 0	72 12	297 0	108 18
9 tons 15 cwt.	10 tons	204 0	74 16	306 0	112 4
For each additional $\frac{1}{4}$ ton or part $\frac{1}{4}$ ton		6 0	*	9 0	*

\* The four-monthly rate of duty for a vehicle over ten tons shall be an amount equal to eleven-thirtieths of the annual rate of duty, rounded up or down to the nearest shilling, sixpence being rounded down.



TABLE 1.—PROPOSED CHANGES IN TAXATION—*continued*MOTOR VEHICLE DUTIES—*continued*

Exceeding	Not exceeding	Used with trailer Present rates		Used with trailer Proposed rates	
		12 months	4 months	12 months	4 months
		£ s.	£ s.	£ s.	£ s.
Goods General—					
—	12 cwt.	24 0	8 16	36 0	13 4
12 cwt.	16 cwt.	27 0	9 18	40 10	14 17
16 cwt.	1 ton	30 0	11 0	45 0	16 10
1 ton	5 cwt.	33 0	12 2	49 10	18 3
1 ton	10 cwt.	36 0	13 4	54 0	19 16
1 ton	15 cwt.	39 0	14 6	58 10	21 9
1 ton	2 tons	42 0	15 8	63 0	23 2
2 tons	5 cwt.	45 0	16 10	67 10	24 15
2 tons	10 cwt.	48 0	17 12	72 0	26 8
2 tons	15 cwt.	57 0	20 18	85 10	31 7
2 tons	3 tons	60 0	22 0	90 0	33 0
3 tons	5 cwt.	64 10	23 13	96 15	35 9
3 tons	10 cwt.	69 0	25 6	103 10	37 19
3 tons	15 cwt.	73 10	26 19	110 5	40 8
3 tons	4 tons	78 0	28 12	117 0	42 18
4 tons	5 cwt.	90 0	33 0	135 0	49 10
4 tons	10 cwt.	96 0	35 4	144 0	52 16
4 tons	15 cwt.	102 0	37 8	153 0	56 2
4 tons	5 tons	108 0	39 12	162 0	59 8
5 tons	5 cwt.	114 0	41 16	171 0	62 14
5 tons	10 cwt.	120 0	44 0	180 0	66 0
5 tons	15 cwt.	126 0	46 4	189 0	69 6
5 tons	6 tons	132 0	48 8	198 0	72 12
6 tons	5 cwt.	138 0	50 12	207 0	75 18
6 tons	10 cwt.	144 0	52 16	216 0	79 4
6 tons	15 cwt.	150 0	55 0	225 0	82 10
6 tons	7 tons	156 0	57 4	234 0	85 16
7 tons	5 cwt.	162 0	59 8	243 0	89 2
7 tons	10 cwt.	168 0	61 12	252 0	92 8
7 tons	15 cwt.	174 0	63 16	261 0	95 14
7 tons	8 tons	180 0	66 0	270 0	99 0
8 tons	5 cwt.	186 0	68 4	279 0	102 6
8 tons	10 cwt.	192 0	70 8	288 0	105 12
8 tons	15 cwt.	198 0	72 12	297 0	108 18
8 tons	9 tons	204 0	74 16	306 0	112 4
9 tons	5 cwt.	210 0	77 0	315 0	115 10
9 tons	10 cwt.	216 0	79 4	324 0	118 16
9 tons	15 cwt.	222 0	81 8	333 0	122 2
9 tons	10 tons	228 0	83 12	342 0	125 8
For each additional $\frac{1}{4}$ ton or part $\frac{1}{4}$ ton		6 0	*	9 0	*

\* The four-monthly rates of duty for a vehicle over ten tons shall be an amount equal to eleven-thirtieths of the annual rate of duty, rounded up or down to the nearest shilling, sixpence being rounded down.



TABLE 2.—ESTIMATED EFFECT OF CHANGES IN TAXATION

	Estimate for 1965-66	Estimate for a full year
<b>INLAND REVENUE</b>		
<i>Income tax—</i>		
Increase of age exemption limits to £390 for single persons and £625 for married couples ... ..	— 5	— 8½
Abolition of allowances for National Insurance contributions	+111	+140
Increase of the single allowance to £220 and the married allowance to £340 ... ..	—113	—141
Increase of the limit of the dependent relative's income to £210	— ¾	— 1
<i>Surtax—</i>		
Withdrawal of relief for settlements in favour of individuals	—	+ 2(a) 1½
<i>Income tax and profits tax—</i>		
Abolition of the initial allowance for ordinary motor-cars ...	Negligible	+ 18(b) 13
Disallowance of expenditure on entertaining as a deduction for tax purposes ... ..	Negligible	+ 25(c) 20
Extension of scope of Case VII of Schedule D to cover gains on all assets disposed of within a year of acquisition ...	—	+ 5(d) 2
<i>Corporation tax—</i>		
Abolition of the scheme for overseas trade corporations	—	+ 2
<i>Capital gains tax—</i>		
Tax on gains realised by an individual on assets held for more than a year at 30 per cent for an individual (or if it is less at his marginal rate of income tax and surtax on two- thirds of the gain), and Corporation tax (or 35 per cent) on all gains of companies ... ..	Nil	... (e) 10
TOTAL INLAND REVENUE ... ..	— 7¾	... 38 ¼
<b>CUSTOMS AND EXCISE</b>		
Tobacco ... ..	+ 74	+ 75
<i>Spirits, Beer and Wine—</i>		
Spirits ... ..	+ 19	+ 19½
Beer ... ..	+ 23½	+ 26
Wine (including British wine) ... ..	+ 6½	+ 6½
	+ 49	+ 52
Purchase Tax ... ..	Negligible	Negligible
TOTAL CUSTOMS AND EXCISE ... ..	+123	+127
MOTOR VEHICLE DUTIES ... ..	+ 48½	+ 54½
Total ... ..	+163¾	209 ½

(a) £1½ million in 1966-67.

(b) With current levels of expenditure this is the highest figure that the yield will reach in any year and it would ultimately fall to nil. The yield in 1966-67 will be £13 million.

(c) £20 million in 1966-67.

(d) £2 million in 1966-67.

(e) The yield will fluctuate widely from year to year and in the long term it may reach £125 million. The estimate for 1966-67 is £10 million.

20  
17



## TABLE 3.—INCOME TAX

Tables (a) to (g)—Amount of tax and effective rate of tax  
for each pound of income for specimen incomes

## NOTES ON THE TABLES

These tables show the tax payable for 1964–65 and 1965–66 (as well as what would have been payable for 1965–66 under the November 1964 Budget but for the April 1965 Budget). They take account of the personal allowances and reliefs appropriate to the case, including (where applicable) an allowance for National Insurance contributions. The taxpayer may be entitled to further reliefs which would reduce the tax payable (for examples see below); if on the other hand he was not entitled to the allowance assumed for National Insurance contributions the tax payable might have been greater.

In the case of a married couple the earned income is assumed to be the husband's.

The amount of the allowance for National Insurance contributions taken into account where the income is all earned is that for an adult employee and where the income is all from investments it is the allowance for a non-employed male.

The “proposed charge 1965–66” comprises the Income Tax at the rates proposed and the Surtax (if any) calculated at the rates proposed for 1964–65.

*Age relief*

Where a taxpayer (or his wife) is over 65 and his total income does not exceed £900, he is entitled to age relief which gives relief equivalent to the earned income relief on any investment income he may have and so reduces the tax payable on any investment income in incomes up to £900 to that chargeable on earned income. Where the total income is not much over this amount marginal relief may be due so that the tax due on the ordinary basis is not payable until the marginal relief runs out.

*Age exemption*

Where a single person is over 65 and his total income does not exceed £390 (£360 in 1964–65) no tax is payable. In the case of a married couple where either husband or wife is over 65 and the total income does not exceed £625 (£575 in 1964–65) no tax is payable. Where the total income is only slightly above the appropriate limit marginal relief is given so that the tax due on the ordinary basis is not payable until the marginal relief runs out.



Table (a).—Persons without Children—Income up to £20 a week, all Earned

Income	Single Persons					Married Couples				
	Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)	Proposed Charge 1965-66 (after April 1965 Budget)		Charge for 1964-65	Proposed Charge 1965-66 (after November 1964 Budget)	Proposed Charge 1965-66 (after April 1965 Budget)		
	Income Tax	Effective Rate	Income Tax	Income Tax	Effective Rate	Income Tax	Effective Rate	Income Tax	Income Tax	Effective Rate
£	£ s. d.	s. d.	£ s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	£ s. d.	s. d.
312 (£6 a week) ...	4 2 8	— 3	4 2 8	4 10 8	— 3½	—	—	—	—	—
364 (£7 a week) ...	12 4 5	— 8	12 4 5	12 12 5	— 8½	—	—	—	—	—
416 (£8 a week) ...	20 9 4	1 0	20 9 4	21 1 4	1 0	—	—	—	—	—
468 (£9 a week) ...	32 12 0	1 4½	32 12 0	33 4 0	1 5	4 8 0	— 2½	4 8 0	4 16 0	— 2½
520 (£10 a week) ...	44 14 8	1 8½	44 14 8	45 6 8	1 9	12 9 9	— 6	12 9 9	12 17 9	— 6
572 (£11 a week) ...	56 17 4	2 0	56 17 4	57 9 4	2 0	20 17 4	— 9	20 17 4	21 9 4	— 9
624 (£12 a week) ...	69 0 0	2 2½	69 0 0	69 12 0	2 3	33 0 0	1 0½	33 0 0	33 12 0	1 1
676 (£13 a week) ...	81 9 3	2 5	81 11 2	82 7 8	2 5	45 2 8	1 4	45 2 8	45 14 8	1 4
728 (£14 a week) ...	97 2 8	2 8	98 4 10	99 1 4	2 8½	57 5 4	1 7	57 5 4	57 17 4	1 7
780 (£15 a week) ...	112 16 2	2 10½	114 18 6	115 15 0	2 11½	69 8 0	1 9½	69 8 0	70 0 0	1 9½
832 (£16 a week) ...	128 9 7	3 1	131 12 2	132 8 8	3 2	81 19 7	1 11½	82 2 2	82 18 8	2 0
884 (£17 a week) ...	144 3 0	3 3	148 5 10	149 2 4	3 4½	97 13 0	2 2½	98 15 10	99 12 4	2 3
936 (£18 a week) ...	159 16 6	3 5	164 19 6	165 16 0	3 6½	113 6 6	2 5	115 9 6	116 6 0	2 6
988 (£19 a week) ...	175 9 11	3 6½	181 13 2	182 9 8	3 8½	128 19 11	2 7½	132 3 2	132 19 8	2 8½
1,040 (£20 a week) ...	191 3 4	3 8	198 6 10	199 3 4	3 10	144 13 4	2 9½	148 16 10	149 13 4	2 10½

TABLE 3.—INCOME TAX—continued



Table (b).—Married Couples with Children—Income up to £20 a week, all Earned

Income	Age of Children: not over 11					Age of Children: over 11, but not over 16					Age of Children: over 16				
	Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)			Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)			Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)		
	Income Tax	Effective Rate	Income Tax	Income Tax	Effective Rate	Income Tax	Effective Rate	Income Tax	Income Tax	Effective Rate	Income Tax	Effective Rate	Income Tax	Income Tax	Effective Rate
£	£ s. d.	s. d.	£ s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	£ s. d.	s. d.
<b>Married Couples with one Child</b>															
598 (£11 10s. a week) ...	1 12 5	— 0½	1 12 5	2 0 5	— 1	—	—	—	—	—	—	—	—	—	—
624 (£12 a week) ...	5 13 4	— 2	5 13 4	6 1 4	— 2½	— 13 4	— 0½	— 13 4	1 1 4	— 0½	—	—	—	—	—
676 (£13 a week) ...	13 15 1	— 5	13 15 1	14 3 1	— 5	8 15 1	— 3	8 15 1	9 3 1	— 3½	3 15 1	— 1½	3 15 1	4 3 1	— 1½
728 (£14 a week) ...	22 15 4	— 7½	22 15 4	23 7 4	— 7½	16 16 10	— 5½	16 16 10	17 4 10	— 5½	11 16 10	— 4	11 16 10	12 4 10	— 4
780 (£15 a week) ...	34 18 0	— 10½	34 18 0	35 10 0	— 11	27 8 0	— 8½	27 8 0	28 0 0	— 8½	19 18 8	— 6	19 18 8	20 10 0	— 6½
832 (£16 a week) ...	47 0 8	1 1½	47 0 8	47 12 8	1 1½	39 10 8	— 11½	39 10 8	40 2 8	— 11½	32 0 8	— 9	32 0 8	32 12 8	— 9½
884 (£17 a week) ...	59 3 4	1 4	59 3 4	59 15 4	1 4	51 13 4	1 2	51 13 4	52 5 4	1 2	44 3 4	1 0	44 3 4	44 15 4	1 0
936 (£18 a week) ...	71 6 0	1 6½	71 6 0	71 18 0	1 6½	63 16 0	1 4½	63 16 0	64 8 0	1 4½	56 6 0	1 2½	56 6 0	56 18 0	1 2½
988 (£19 a week) ...	84 8 8	1 8½	84 14 5	85 10 11	1 9	75 18 8	1 6½	75 18 8	76 10 8	1 6½	68 8 8	1 4½	68 8 8	69 0 8	1 5
1,040 (£20 a week) ...	100 2 1	1 11	101 8 1	102 4 7	1 11½	90 8 4	1 9	91 1 10	91 18 4	1 9	80 14 7	1 6½	80 15 7	81 12 1	1 7
<b>Married Couples with two Children</b>															
754 (£14 10s. a week) ...	2 17 9	— 1	2 17 9	3 5 9	— 1	—	—	—	—	—	—	—	—	—	—
780 (£15 a week) ...	6 18 8	— 2	6 18 8	7 6 8	— 2½	—	—	—	—	—	—	—	—	—	—
832 (£16 a week) ...	15 0 5	— 4½	15 0 5	15 8 5	— 4½	5 0 5	— 1½	5 0 5	5 8 5	— 1½	—	—	—	—	—
884 (£17 a week) ...	24 13 4	— 6½	24 13 4	25 5 4	— 7	13 2 2	— 3½	13 2 2	13 10 2	— 3½	3 2 2	— 1	3 2 2	3 10 2	— 1
936 (£18 a week) ...	36 16 0	— 9½	36 16 0	37 8 0	— 9½	21 16 0	— 5½	21 16 0	22 8 0	— 5½	11 4 0	— 3	11 4 0	11 12 0	— 3
988 (£19 a week) ...	48 18 8	1 0	48 18 8	49 10 8	1 0	33 18 8	— 8	33 18 8	34 10 8	— 8½	19 5 9	— 4½	19 5 9	19 13 9	— 5
1,040 (£20 a week) ...	61 1 4	1 2	61 1 4	61 13 4	1 2	46 1 4	— 10½	46 1 4	46 13 4	— 11	31 1 4	— 7	31 1 4	31 13 4	— 7½
<b>Married Couples with three Children</b>															
884 (£17 a week) ...	— 2 2	—	— 2 2	— 10 2	—	—	—	—	—	—	—	—	—	—	—
936 (£18 a week) ...	8 4 0	— 2	8 4 0	8 12 0	— 2	—	—	—	—	—	—	—	—	—	—
988 (£19 a week) ...	16 5 9	— 4	16 5 9	16 13 9	— 4	1 5 9	— 0½	1 5 9	1 13 9	— 0½	—	—	—	—	—
1,040 (£20 a week) ...	26 11 4	— 6	26 11 4	27 3 4	— 6½	9 7 6	— 2	9 7 6	9 15 6	— 2½	—	—	—	—	—

TABLE 3.—INCOME TAX—continued



Table (c).—Single Persons

Income	Income all Earned					Income all from Investments				
	Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)	Proposed Charge 1965-66 (after April 1965 Budget)		Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)	Proposed Charge 1965-66 (after April 1965 Budget)	
	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Income Tax (and Surtax if any)	Effective Rate
£	£ s. d.	s. d.	£ s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	£ s. d.	s. d.
300 ...	2 5 4	— 2	2 5 4	2 13 4	— 2	1 9 4	— 1	1 9 4	2 13 4	— 2
350 ...	10 0 10	— 7	10 0 10	10 8 10	— 7	9 4 10	— 6½	9 4 10	10 8 10	— 7
400 ...	17 16 5	— 10½	17 16 5	18 4 5	— 11	17 0 5	— 10	17 0 5	18 4 5	— 11
450 ...	28 8 0	1 3	28 8 0	29 0 0	1 3½	27 4 0	1 2½	27 4 0	29 0 0	1 3½
500 ...	40 1 4	1 7	40 1 4	40 13 4	1 7½	52 4 0	2 1	52 4 0	54 0 0	2 2
600 ...	63 8 0	2 1½	63 8 0	64 0 0	2 1½	102 4 0	3 5	102 4 0	104 0 0	3 5½
700 ...	88 13 11	2 6½	89 5 2	90 1 8	2 7	147 8 6	4 2½	151 15 6	154 5 0	4 5
800 ...	118 16 8	2 11½	121 6 10	122 3 4	3 0½	186 3 6	4 8	193 0 6	195 10 0	4 10½
900 ...	148 19 6	3 3½	153 8 6	154 5 0	3 5	224 18 6	5 0	234 5 6	236 15 0	5 3
1,000 ...	179 2 3	3 7	185 10 2	186 6 8	3 8½	263 13 6	5 3½	275 10 6	278 0 0	5 6½
1,100 ...	209 5 0	3 9½	217 11 10	218 8 4	3 11½	302 8 6	5 6	316 15 6	319 5 0	5 9½
1,200 ...	239 7 10	4 0	249 13 6	250 10 0	4 2	341 3 6	5 8	358 0 6	360 10 0	6 0
1,300 ...	269 10 7	4 2	281 15 2	282 11 8	4 4	379 18 6	5 10	399 5 6	401 15 0	6 2
1,400 ...	299 13 4	4 3½	313 16 10	314 13 4	4 6	418 13 6	6 0	440 10 6	443 0 0	6 4
1,500 ...	329 16 2	4 5	345 18 6	346 15 0	4 7½	457 8 6	6 1	481 15 6	484 5 0	6 5½
1,600 ...	359 18 11	4 6	378 0 2	378 16 8	4 9	496 3 6	6 2½	523 0 6	525 10 0	6 7
1,700 ...	390 1 8	4 7	410 1 10	410 18 4	4 10	534 18 6	6 3½	564 5 6	566 15 0	6 8
1,800 ...	420 4 6	4 8	442 3 6	443 0 0	4 11	573 13 6	6 4½	605 10 6	608 0 0	6 9
1,900 ...	450 7 3	4 9	474 5 2	475 1 8	5 0	612 8 6	6 5½	646 15 6	649 5 0	6 10
2,000 ...	480 10 0	4 9½	506 6 10	507 3 4	5 1	651 3 6	6 6	688 0 6	690 10 0	6 11
2,250 ...	555 17 0	4 11½	586 11 0	587 7 6	5 2½	770 9 0	6 10	813 11 0	818 12 6	7 3½
2,500 ...	631 3 11	5 0½	666 15 2	667 11 8	5 4	892 6 6	7 1½	941 13 6	946 15 0	7 7
2,750 ...	706 10 10	5 1½	746 19 4	747 15 10	5 5½	1,019 16 0	7 5	1,075 8 0	1,081 2 6	7 10½
3,000 ...	781 17 10	5 2½	827 3 6	828 0 0	5 6	1,147 18 6	7 8	1,209 15 6	1,215 10 0	8 1
3,500 ...	932 11 8	5 4	987 11 10	988 8 4	5 8	1,427 17 6	8 2	1,502 4 6	1,509 5 0	8 7½
4,000 ...	1,083 5 7	5 5	1,148 0 2	1,148 16 8	5 9	1,709 2 6	8 6½	1,795 19 6	1,803 0 0	9 0
4,500 ...	1,255 5 9	5 7	1,331 2 3	1,331 18 9	5 11	2,014 1 6	8 11½	2,113 8 6	2,121 15 0	9 5
5,000 ...	1,427 10 2	5 8½	1,514 8 11	1,515 5 5	6 0½	2,320 6 6	9 3½	2,432 3 6	2,440 10 0	9 9
6,000 ...	1,867 14 11	6 2½	1,976 18 1	1,980 9 7	6 7	2,981 10 6	9 11½	3,118 7 6	3,128 0 0	10 5
7,000 ...	2,361 1 3	6 9	2,492 8 10	2,497 2 4	7 1½	3,692 14 6	10 6½	3,854 11 6	3,865 10 0	11 0½
8,000 ...	2,893 5 4	7 3	3,046 17 5	3,052 12 11	7 7½	4,405 4 6	11 0	4,592 1 6	4,603 0 0	11 6
9,000 ...	3,464 7 3	7 8½	3,640 3 9	3,647 1 3	8 1½	5,166 8 6	11 6	5,378 5 6	5,390 10 0	11 11½
10,000 ...	4,078 14 0	8 2	4,276 18 0	4,284 17 6	8 7	5,928 18 6	11 10½	6,165 15 6	6,178 0 0	12 4½
12,000 ...	5,525 2 0	9 2½	5,773 6 0	5,782 7 6	9 7½	7,552 12 6	12 7	7,839 9 6	7,853 0 0	13 1
15,000 ...	7,884 0 0	10 6	8,207 4 0	8,217 7 6	10 11½	10,138 16 6	13 6	10,500 13 6	10,515 10 0	14 0
20,000 ...	12,203 12 0	12 2½	12,651 16 0	12,663 12 6	12 8	14,575 13 6	14 7	15,062 10 6	15,078 0 0	15 1
25,000 ...	16,641 2 0	13 4	17,214 6 0	17,226 2 6	13 9½	19,013 3 6	15 2½	19,625 0 6	19,640 10 0	15 8½
30,000 ...	21,078 12 0	14 0½	21,776 16 0	21,788 12 6	14 6½	23,450 13 6	15 7½	24,187 10 6	24,203 0 0	16 1½
40,000 ...	29,953 12 0	14 11½	30,901 16 0	30,913 12 6	15 5½	32,325 13 6	16 2	33,312 10 6	33,328 0 0	16 8
50,000 ...	38,828 12 0	15 6½	40,026 16 0	40,038 12 6	16 0	41,200 13 6	16 6	42,437 10 6	42,453 0 0	17 0
100,000 ...	83,203 12 0	16 7½	85,651 16 0	85,663 12 6	17 1½	85,575 13 6	17 1½	88,062 10 6	88,078 0 0	17 7½

TABLE 3.—INCOME TAX—continued



Table (d).—Married Couples without Children

Income	Income all Earned						Income all from Investments						
	Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)	Proposed Charge 1965-66 (after April 1965 Budget)		Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)	Proposed Charge 1965-66 (after April 1965 Budget)				
	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Income Tax (and Surtax if any)	Effective Rate			
£	£	s.	d.	s.	d.	£	s.	d.	£	s.	d.	s.	d.
450	1	12	0	—	1	1	12	0	2	0	0	—	1
500	9	7	6	—	4½	9	7	6	9	15	6	—	4½
600	27	8	0	—	11	27	8	0	28	0	0	—	11
700	50	14	8	1	5½	50	14	8	51	6	8	1	5½
800	74	1	4	1	10	74	1	4	74	13	4	1	10½
900	102	9	6	2	3½	103	18	6	104	15	0	2	4
1,000	132	12	3	2	8	136	0	2	136	16	8	2	9
1,100	162	15	0	2	11½	168	1	10	168	18	4	3	1
1,200	192	17	10	3	2½	200	3	6	201	0	0	3	4
1,300	223	0	7	3	5	232	5	2	233	1	8	3	7
1,400	253	3	4	3	7½	264	6	10	265	3	4	3	9½
1,500	283	6	2	3	9½	296	8	6	297	5	0	3	11½
1,600	313	8	11	3	11	328	10	2	329	6	8	4	1½
1,700	343	11	8	4	0½	360	11	10	361	8	4	4	3
1,800	373	14	6	4	2	392	13	6	393	10	0	4	4½
1,900	403	17	3	4	3	424	15	2	425	11	8	4	6
2,000	434	0	0	4	4	456	16	10	457	13	4	4	7
2,250	509	7	0	4	6½	537	1	0	537	17	6	4	9½
2,500	584	13	11	4	8	617	5	2	618	1	8	4	11½
2,750	660	0	10	4	9½	697	9	4	698	5	10	5	1
3,000	735	7	10	4	11	777	13	6	778	10	0	5	2½
3,500	886	1	8	5	1	938	1	10	938	18	4	5	4½
4,000	1,036	15	7	5	2	1,098	10	2	1,099	6	8	5	6
4,500	1,208	15	9	5	4½	1,281	12	3	1,282	8	9	5	8½
5,000	1,381	0	2	5	6½	1,464	18	11	1,465	15	5	5	10½
6,000	1,806	4	11	6	0	1,912	8	1	1,915	19	7	6	4½
7,000	2,293	11	3	6	6½	2,421	18	10	2,426	12	4	6	11
8,000	2,819	15	4	7	0½	2,970	7	5	2,976	2	11	7	5½
9,000	3,384	17	3	7	6½	3,557	13	9	3,564	11	3	7	11
10,000	3,993	4	0	8	0	4,188	8	0	4,196	7	6	8	4½
12,000	5,433	12	0	9	0½	5,678	16	0	5,687	17	6	9	6
15,000	7,786	10	0	10	4½	8,106	14	0	8,116	17	6	10	10
20,000	12,097	2	0	12	1	12,542	6	0	12,554	2	6	12	6½
25,000	16,534	12	0	13	2½	17,104	16	0	17,116	12	6	13	8½
30,000	20,972	2	0	14	0	21,667	6	0	21,679	2	6	14	5½
40,000	29,847	2	0	14	11	30,792	6	0	30,804	2	6	15	5
50,000	38,722	2	0	15	6	39,917	6	0	39,929	2	6	15	11½
100,000	83,097	2	0	16	7½	85,542	6	0	85,554	2	6	17	1½

TABLE 3.—INCOME TAX—continued



Table (e).—Married Couples with one Child—Income all Earned

Income	One Child not over 11					One Child over 11, but not over 16					One Child over 16				
	Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)	Proposed Charge 1965-66 (after April 1965 Budget)		Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)	Proposed Charge 1965-66 (after April 1965 Budget)		Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)	Proposed Charge 1965-66 (after April 1965 Budget)	
	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Income Tax (and Surtax if any)	Effective Rate
£	£ s. d.	s. d.	£ s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	£ s. d.	s. d.
600	1 18 8	— 1	1 18 8	2 6 8	— 1	12 9 9	— 4½	12 9 9	12 17 9	— 4½	7 9 9	— 2½	7 9 9	7 17 9	— 2½
700	17 9 9	— 6	17 9 9	17 17 9	— 6	32 1 4	— 9½	32 1 4	32 13 4	— 10	24 11 4	— 7½	24 11 4	25 3 4	— 7½
800	39 11 4	1 0	39 11 4	40 3 4	1 0	55 8 0	1 3	55 8 0	56 0 0	1 3	47 18 0	1 1	47 18 0	48 10 0	1 1
900	62 18 0	1 5	62 18 0	63 10 0	1 5										
1,000	88 1 0	1 9	88 11 5	89 7 11	1 9½	78 14 8	1 7	78 14 8	79 6 8	1 7	71 4 8	1 5	71 4 8	71 16 8	1 5
1,100	118 3 9	2 2	120 13 1	121 9 7	2 2½	108 10 0	1 11½	110 6 10	111 3 4	2 0½	98 16 3	1 9½	100 0 7	100 17 1	1 10
1,200	148 6 7	2 5½	152 14 9	153 11 3	2 6½	138 12 10	2 3½	142 8 6	143 5 0	2 4½	128 19 1	2 2	132 2 3	132 18 9	2 2½
1,300	178 9 4	2 9	184 16 5	185 12 11	2 10½	168 15 7	2 7	174 10 2	175 6 8	2 8½	159 1 10	2 5½	164 3 11	165 0 5	2 6½
1,400	208 12 1	3 0	216 18 1	217 14 7	3 1½	198 18 4	2 10	206 11 10	207 8 4	2 11½	189 4 7	2 8½	196 5 7	197 2 1	2 10
1,500	238 14 11	3 2	248 19 9	249 16 3	3 4	229 1 2	3 0½	238 13 6	239 10 0	3 2½	219 7 5	2 11	228 7 3	229 3 9	3 0½
1,600	268 17 8	3 4½	281 1 5	281 17 11	3 6½	259 3 11	3 3	270 15 2	271 11 8	3 4½	249 10 2	3 1½	260 8 11	261 5 5	3 3
1,700	299 0 5	3 6	313 3 1	313 19 7	3 8½	289 6 8	3 5	302 16 10	303 13 4	3 7	279 12 11	3 3½	292 10 7	293 7 1	3 5½
1,800	329 3 3	3 8	345 4 9	346 1 3	3 10	319 9 6	3 6½	334 18 6	335 15 0	3 9	309 15 9	3 5½	324 12 3	325 8 9	3 7½
1,900	359 6 0	3 9½	377 6 5	378 2 11	4 0	349 12 3	3 8	367 0 2	367 16 8	3 10½	339 18 6	3 7	356 13 11	357 10 5	3 9
2,000	389 8 9	3 10½	409 8 1	410 4 7	4 1	379 15 0	3 9½	399 1 10	399 18 4	4 0	370 1 3	3 8½	388 15 7	389 12 1	3 11
2,250	464 15 9	4 1½	489 12 3	490 8 9	4 4½	455 2 0	4 0½	479 6 0	480 2 6	4 3	445 8 3	3 11½	468 19 9	469 16 3	4 2
2,500	540 2 8	4 4	569 16 5	570 12 11	4 7	530 8 11	4 3	559 10 2	560 6 8	4 6	520 15 2	4 2	549 3 11	550 0 5	4 5
2,750	615 9 7	4 5½	650 0 7	650 17 1	4 9	605 15 10	4 5	639 14 4	640 10 10	4 8	596 2 1	4 4	629 8 1	630 4 7	4 7
3,000	690 16 7	4 7½	730 4 9	731 1 3	4 10½	681 2 10	4 6½	719 18 6	720 15 0	4 9½	671 9 1	4 5½	709 12 3	710 8 9	4 9
3,500	841 10 5	4 9½	890 13 1	891 9 7	5 1	831 16 8	4 9	880 6 10	881 3 4	5 0½	822 2 11	4 8½	870 0 7	870 17 1	4 11½
4,000	992 4 4	4 11½	1,051 1 5	1,051 17 11	5 3	982 10 7	4 11	1,040 15 2	1,041 11 8	5 2½	972 16 10	4 10½	1,030 8 11	1,031 5 5	5 2
4,500	1,164 4 6	5 2	1,234 3 6	1,235 0 0	5 6	1,154 10 9	5 1½	1,223 17 3	1,224 13 9	5 5½	1,144 17 0	5 1	1,213 11 0	1,214 7 6	5 5
5,000	1,336 8 11	5 4	1,417 10 2	1,418 6 8	5 8	1,326 15 2	5 3½	1,407 3 11	1,408 0 5	5 7½	1,317 1 5	5 3	1,396 17 8	1,397 14 2	5 7
6,000	1,747 6 2	5 10	1,850 11 10	1,854 3 4	6 2	1,734 9 11	5 9½	1,837 3 1	1,840 14 7	6 1½	1,721 13 8	5 9	1,823 14 4	1,827 5 10	6 1
7,000	2,228 17 6	6 4½	2,354 7 7	2,359 1 1	6 9	2,214 16 3	6 4	2,339 13 10	2,344 7 4	6 8½	2,220 15 0	6 3½	2,325 0 1	2,329 13 7	6 8
8,000	2,749 6 7	6 10½	2,897 1 2	2,902 16 8	7 3	2,734 0 4	6 10	2,881 2 5	2,886 17 11	7 2½	2,718 14 1	6 9½	2,865 3 8	2,870 19 2	7 2
9,000	3,308 13 6	7 4	3,478 12 6	3,485 10 0	7 9	3,292 2 3	7 4	3,461 8 9	3,468 6 3	7 8½	3,275 11 0	7 3½	3,444 5 0	3,451 2 6	7 8
10,000	3,911 5 3	7 10	4,103 11 9	4,111 11 3	8 2½	3,893 9 0	7 9½	4,085 3 0	4,093 2 6	8 2	3,875 12 9	7 9	4,066 14 3	4,074 13 9	8 2
12,000	5,345 18 3	8 11	5,588 4 9	5,597 6 3	9 4	5,326 17 0	8 10½	5,568 11 0	5,577 12 6	9 3½	5,307 15 9	8 10	5,548 17 3	5,557 18 9	9 3
15,000	7,693 1 3	10 3	8,010 7 9	8,020 11 3	10 8½	7,672 15 0	10 3	7,989 9 0	7,999 12 6	10 8	7,652 8 9	10 2½	7,968 10 3	7,978 13 9	10 7½
20,000	11,995 0 9	12 0	12,437 7 3	12,449 3 9	12 5½	11,972 17 0	11 11½	12,414 11 0	12,426 7 6	12 5	11,950 13 3	11 11½	12,391 14 9	12,403 11 3	12 5
25,000	16,432 10 9	13 2	16,999 17 3	17,011 13 9	13 7½	16,410 7 0	13 1½	16,977 1 0	16,988 17 6	13 7	16,388 3 3	13 1½	16,954 4 9	16,966 1 3	13 7
30,000	20,870 0 9	13 11	21,562 7 3	21,574 3 9	14 4½	20,847 17 0	13 11	21,539 11 0	21,551 7 6	14 4½	20,825 13 3	13 10½	21,516 14 9	21,528 11 3	14 4
40,000	29,745 0 9	14 10½	30,687 7 3	30,699 3 9	15 4	29,722 17 0	14 10½	30,664 11 0	30,676 7 6	15 4	29,700 13 3	14 10	30,641 14 9	30,653 11 3	15 4
50,000	38,620 0 9	15 5½	39,812 7 3	39,824 3 9	15 11	38,597 17 0	15 5½	39,789 11 0	39,801 7 6	15 11	38,575 13 3	15 5	39,766 14 9	39,778 11 3	15 11
100,000	82,995 0 9	16 7	85,437 7 3	85,449 3 9	17 1	82,972 17 0	16 7	85,414 11 0	85,426 7 6	17 1	82,950 13 3	16 7	85,391 14 9	85,403 11 3	17 1

TABLE 3.—INCOME TAX—continued



Table (f).—Married Couples with two Children—Income all Earned

Income	Two Children not over 11					Two Children over 11, but not over 16					Two Children over 16				
	Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)		Effective Rate	Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)		Effective Rate	Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)		Effective Rate
	Income Tax (and Surtax if any)		Income Tax (and Surtax if any)			Income Tax (and Surtax if any)		Income Tax (and Surtax if any)			Income Tax (and Surtax if any)		Income Tax (and Surtax if any)		
£	£ s. d.	s. d.	£ s. d.	s. d.		£ s. d.	s. d.	£ s. d.	s. d.		£ s. d.	s. d.	£ s. d.	s. d.	
750	2 5 4	— 0½	2 5 4	— 1		—	—	—	—		—	—	—	—	
800	10 0 10	— 3	10 0 10	— 3		— 10	—	— 10	—		—	—	—	—	
900	28 8 0	— 7½	28 8 0	— 7½		15 12 0	— 4	15 12 0	— 4½		5 12 0	— 1½	5 12 0	— 1½	
1,000	51 14 8	1 0½	51 14 8	1 0½		36 14 8	— 9	36 14 8	— 9		21 14 8	— 5	21 14 8	— 5½	
1,100	75 1 4	1 4½	75 1 4	1 4½		60 1 4	1 1	60 1 4	1 1		45 1 4	— 10	45 1 4	— 10	
1,200	103 15 4	1 9	105 6 0	1 9		84 7 10	1 5	84 13 6	1 5		68 8 0	1 1½	68 8 0	1 2	
1,300	133 18 1	2 0½	137 7 8	2 1½		114 10 7	1 9	116 15 2	1 9½		95 3 1	1 5½	96 2 8	1 6	
1,400	164 0 10	2 4	169 9 4	2 5		144 13 4	2 1	148 16 10	2 1½		125 5 10	1 9½	128 4 4	1 10	
1,500	194 3 8	2 7	201 11 0	2 8½		174 16 2	2 4	180 18 6	2 5		155 8 8	2 1	160 6 0	2 2	
1,600	224 6 5	2 9½	233 12 8	2 11		204 18 11	2 6½	213 0 2	2 8		185 11 5	2 4	192 7 8	2 5	
1,700	254 9 2	3 0	265 14 4	3 1½		235 1 8	2 9	245 1 10	2 10½		215 14 2	2 6½	224 9 4	2 8	
1,800	284 12 0	3 2	297 16 0	3 4		265 4 6	2 11½	277 3 6	3 1		245 17 0	2 9	256 11 0	2 10½	
1,900	314 14 9	3 4	329 17 8	3 6		295 7 3	3 1½	309 5 2	3 3		275 19 9	2 11	288 12 8	3 0½	
2,000	344 17 6	3 5½	361 19 4	3 7½		325 10 0	3 3	341 6 10	3 5		306 2 6	3 0½	320 14 4	3 2½	
2,250	420 4 6	3 9	442 3 6	3 11½		400 17 0	3 7	421 11 0	3 9		381 9 6	3 4½	400 18 6	3 7	
2,500	495 11 5	3 11½	522 7 8	4 2		476 3 11	3 9½	501 15 2	4 0		456 16 5	3 8	481 2 8	3 10½	
2,750	570 18 4	4 2	602 11 10	4 4½		551 10 10	4 0	581 19 4	4 3		532 3 4	3 10½	561 6 10	4 1	
3,000	646 5 4	4 3½	682 16 0	4 6½		626 17 10	4 2	662 3 6	4 5		607 10 4	4 0½	641 11 0	4 3½	
3,500	796 19 2	4 6½	843 4 4	4 10		777 11 8	4 5½	822 11 10	4 8½		758 4 2	4 4	801 19 4	4 7	
4,000	947 13 1	4 9	1,003 12 8	5 0½		928 5 7	4 7½	983 0 2	4 11		908 18 1	4 6½	962 7 8	4 10	
4,500	1,119 13 3	4 11½	1,186 14 9	5 3½		1,100 5 9	4 10½	1,166 2 3	5 2		1,080 18 3	4 9½	1,145 9 9	5 1	
5,000	1,291 17 8	5 2	1,370 1 5	5 6		1,272 10 2	5 1	1,349 8 11	5 5		1,253 2 8	5 0	1,328 16 5	5 4	
6,000	1,688 7 5	5 7½	1,788 15 7	5 11½		1,663 11 9	5 6½	1,762 14 11	5 10½		1,639 4 3	5 5½	1,737 2 5	5 9½	
7,000	2,164 3 9	6 2	2,286 16 4	6 6½		2,136 1 3	6 1	2,257 8 10	6 5½		2,107 18 9	6 0½	2,228 1 4	6 4½	
8,000	2,678 17 10	6 8½	2,823 14 11	7 1		2,648 5 4	6 7½	2,791 17 5	7 0		2,617 12 10	6 6½	2,759 19 11	6 11	
9,000	3,232 9 9	7 2	3,399 11 3	7 7		3,199 7 3	7 1½	3,365 3 9	7 6		3,166 4 9	7 0½	3,330 16 3	7 5	
10,000	3,829 6 6	7 8	4,018 15 6	8 0½		3,793 14 0	7 7	3,981 18 0	8 0		3,759 3 6	7 6	3,946 2 6	7 11	
12,000	5,258 4 6	8 9	5,497 13 6	9 2		5,220 2 0	8 8½	5,458 6 0	9 1½		5,183 1 6	8 7½	5,420 0 6	9 0½	
15,000	7,599 12 6	10 1½	7,914 1 6	10 7		7,559 0 0	10 1	7,872 4 0	10 6		7,518 7 6	10 0½	7,830 6 6	10 5½	
20,000	11,892 19 6	11 10½	12,332 8 6	12 4		11,848 12 0	11 10	12,286 16 0	12 3½		11,804 4 6	11 9½	12,241 3 6	12 3	
25,000	16,330 9 6	13 1	16,894 18 6	13 6½		16,286 2 0	13 0½	16,849 6 0	13 6		16,241 14 6	13 0	16,803 13 6	13 5½	
30,000	20,767 19 6	13 10	21,457 8 6	14 4		20,723 12 0	13 10	21,411 16 0	14 3½		20,679 4 6	13 9½	21,366 3 6	14 3	
40,000	29,642 19 6	14 10	30,582 8 6	15 3½		29,598 12 0	14 9½	30,536 16 0	15 3½		29,554 4 6	14 9½	30,491 3 6	15 3	
50,000	38,517 19 6	15 5	39,707 8 6	15 10½		38,473 12 0	15 4½	39,661 16 0	15 10½		38,429 4 6	15 4½	39,616 3 6	15 10	
100,000	82,892 19 6	16 7	85,332 8 6	17 1		82,848 12 0	16 7	85,286 16 0	17 0½		82,804 4 6	16 6½	85,241 3 6	17 0½	

TABLE 3.—INCOME TAX—continued



Table (g).—Married Couples with three Children—Income all Earned

Income	Three Children not over 11					Three Children over 11, but not over 16					Three Children over 16				
	Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)		Proposed Charge 1965-66 (after April 1965 Budget)	Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)		Proposed Charge 1965-66 (after April 1965 Budget)	Charge for 1964-65		Proposed Charge 1965-66 (after November 1964 Budget)		Proposed Charge 1965-66 (after April 1965 Budget)
	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Income Tax (and Surtax if any)		Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Income Tax (and Surtax if any)		Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Income Tax (and Surtax if any)	
£	£ s. d.	s. d.	£ s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	£ s. d.	s. d.
900	2 12 0	— 0½	2 12 0	3 0 0	— 1	—	—	—	—	—	—	—	—	—	—
1,000	18 3 1	— 4½	18 3 1	18 11 1	— 4½	3 3 1	— 1	3 3 1	3 11 1	— 1	—	—	—	—	—
1,100	40 11 4	— 9	40 11 4	41 3 4	— 9	18 14 2	— 4	18 14 2	19 2 2	— 4	3 14 2	— 1	3 14 2	4 2 2	— 1
1,200	63 18 0	1 1	63 18 0	64 10 0	1 1	41 8 0	— 8½	41 8 0	42 0 0	— 8½	19 5 4	— 4	19 5 4	19 13 4	— 4
1,300	89 6 10	1 4½	89 18 11	90 15 5	1 5	64 14 8	1 0	64 14 8	65 6 8	1 0	42 4 8	— 8	42 4 8	42 16 8	— 8
1,400	119 9 7	1 8½	122 0 7	122 17 1	1 9	90 8 4	1 3½	91 1 10	91 18 4	1 4	65 11 4	— 11	65 11 4	66 3 4	— 11½
1,500	149 12 5	2 0	154 2 3	154 18 9	2 1	120 11 2	1 7½	123 3 6	124 0 0	1 8	91 9 11	1 2½	92 4 9	93 1 3	1 3
1,600	179 15 2	2 3	186 3 11	187 0 5	2 4	150 13 11	1 10½	155 5 2	156 1 8	1 11½	121 12 8	1 6	124 6 5	125 2 11	1 7
1,700	209 17 11	2 5½	218 5 7	219 2 1	2 7	180 16 8	2 1½	187 6 10	188 3 4	2 2½	151 15 5	1 9½	156 8 1	157 4 7	1 10
1,800	240 0 9	2 8	250 7 3	251 3 9	2 9½	210 19 6	2 4	219 8 6	220 5 0	2 5½	181 18 3	2 0½	188 9 9	189 6 3	2 1
1,900	270 3 6	2 10	282 8 11	283 5 5	3 0	241 2 3	2 6½	251 10 2	252 6 8	2 8	212 1 0	2 3	220 11 5	221 7 11	2 4
2,000	300 6 3	3 0	314 10 7	315 7 1	3 2	271 5 0	2 8½	283 11 10	284 8 4	2 10	242 3 9	2 5	252 13 1	253 9 7	2 6½
2,250	375 13 3	3 4	394 14 9	395 11 3	3 6	346 12 0	3 1	363 16 0	364 12 6	3 3	317 10 9	2 10	332 17 3	333 13 9	2 11½
2,500	451 0 2	3 7½	474 18 11	475 15 5	3 9½	421 18 11	3 4½	444 0 2	444 16 8	3 6½	392 17 8	3 1½	413 1 5	413 17 11	3 3½
2,750	526 7 1	3 10	555 3 1	555 19 7	4 0½	497 5 10	3 7½	524 4 4	525 0 10	3 10	468 4 7	3 5	493 5 7	494 2 1	3 7
3,000	601 14 1	4 0	635 7 3	636 3 9	4 3	572 12 10	3 10	604 8 6	605 5 0	4 0½	543 11 7	3 7½	573 9 9	574 6 3	3 10
3,500	752 7 11	4 3½	795 15 7	796 12 1	4 6½	723 6 8	4 1½	764 16 10	765 13 4	4 4½	694 5 5	3 11½	733 18 1	734 14 7	4 2½
4,000	903 1 10	4 6	956 3 11	957 0 5	4 9½	874 0 7	4 4½	925 5 2	926 1 8	4 7½	844 19 4	4 2½	894 6 5	895 2 11	4 5½
4,500	1,075 2 0	4 9½	1,139 6 0	1,140 2 6	5 1	1,046 0 9	4 8	1,108 7 3	1,109 3 9	4 11	1,016 19 6	4 6	1,077 8 6	1,078 5 0	4 9½
5,000	1,247 6 5	5 0	1,322 12 8	1,323 9 2	5 3½	1,218 5 2	4 10½	1,291 13 11	1,292 10 5	5 2	1,189 3 11	4 9	1,260 15 2	1,261 11 8	5 0½
6,000	1,631 18 0	5 5½	1,729 8 8	1,732 9 2	5 9½	1,595 6 9	5 4	1,690 19 11	1,694 0 5	5 8	1,558 15 6	5 2½	1,652 11 2	1,655 11 8	5 6
7,000	2,099 10 0	6 0	2,219 5 1	2,223 18 7	6 4	2,057 6 3	5 10½	2,175 3 10	2,179 17 4	6 2½	2,015 2 6	5 9	2,131 2 7	2,135 16 1	6 1
8,000	2,608 9 1	6 6½	2,750 8 8	2,756 4 2	6 10½	2,562 10 4	6 5	2,702 12 5	2,708 7 11	6 9½	2,516 11 7	6 3½	2,654 16 2	2,660 11 8	6 8
9,000	3,156 6 0	7 0	3,320 10 0	3,327 7 6	7 4½	3,106 19 3	6 11	3,269 5 9	3,275 16 3	7 3½	3,061 0 6	6 9½	3,221 9 6	3,227 5 0	7 2
10,000	3,749 4 9	7 6	3,935 16 3	3,942 13 9	7 10½	3,699 11 0	7 5	3,884 5 0	3,891 2 6	7 9½	3,649 17 3	7 3½	3,832 13 9	3,839 11 3	7 8
12,000	5,172 7 9	8 7½	5,408 19 3	5,416 18 9	9 0½	5,118 19 0	8 6½	5,353 13 0	5,361 12 6	8 11	5,065 10 3	8 5½	5,298 6 9	5,306 6 3	8 10
15,000	7,506 3 9	10 0	7,817 15 3	7,827 18 9	10 5	7,445 5 0	9 11	7,754 19 0	7,765 2 6	10 4	7,384 6 3	9 10	7,692 2 9	7,702 6 3	10 3
20,000	11,790 18 3	11 9½	12,227 9 9	12,239 6 3	12 3	11,724 7 0	11 8½	12,159 1 0	12,170 17 6	12 2	11,657 15 9	11 8	12,090 12 3	12,012 8 9	12 1
25,000	16,228 8 3	13 0	16,789 19 9	16,801 16 3	13 5½	16,161 17 0	12 11	16,721 11 0	16,733 7 6	13 4½	16,095 5 9	12 10½	16,653 2 3	16,664 18 9	13 4
30,000	20,665 18 3	13 9½	21,352 9 9	21,364 6 3	14 3	20,599 7 0	13 9	21,284 1 0	21,295 17 6	14 2½	20,532 15 9	13 8½	21,215 12 3	21,227 8 9	14 2
40,000	29,540 18 3	14 9	30,477 9 9	30,489 6 3	15 3	29,474 7 0	14 9	30,409 1 0	30,420 17 6	15 2½	29,407 15 9	14 8½	30,340 12 3	30,352 8 9	15 2
50,000	38,415 18 3	15 4½	39,602 9 9	39,614 6 3	15 10	38,349 7 0	15 4	39,534 1 0	39,545 17 6	15 10	38,282 15 9	15 4	39,465 12 3	39,477 8 9	15 9½
100,000	82,790 18 3	16 6½	85,227 9 9	85,239 6 3	17 0½	82,724 7 0	16 6½	85,159 1 0	85,170 17 6	17 0½	82,657 15 9	16 6½	85,090 12 3	85,102 8 9	17 0

TABLE 3.—INCOME TAX—continued



TABLE 3.—INCOME TAX—*continued*

**Table (h).—The amounts of tax and National Insurance contributions payable on specimen incomes for 1965–66 under the law as it was after the November 1964 Budget and as it will be under the proposals of the April 1965 Budget**

This table shows the effect of the changes proposed in the Budget for specimen incomes of adult male employees of an employer who has not contracted out of the graduated scheme for national insurance.

The amount of the graduated National Insurance contribution depends on the amount of weekly pay from employment. In calculating the National Insurance contributions shown, therefore, it has been assumed that the income from employment is the same for each of the fifty-two weeks in the year. In the case of a married man with two children not over 11, the figures of income include the family allowance of £20 16s. 0d. For this reason the amount of National Insurance contributions is smaller for the married man than for a single person with the same total income.

The amounts of National Insurance contributions and of the tax relief thereon are the same for all the incomes between £936 for the single person (or £1,200 for a married couple with two children not over 11) and £5,000 and again for all the incomes over £20,000.



Table (h).—National Insurance Contributions and Tax 1965–66

After November 1964 Budget										After April 1965 Budget													
Income—all earned			Net N.I.C. after tax relief on £22 allowance			Tax relief on £22 for N.I.C.			Tax due			Total tax plus N.I.C.			Gross N.I.C.			Tax proposed for 1965-66			Total tax plus N.I.C.		
£			£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Single Persons																							
250	...	...	35	10	8	—	—	—	—	—	—	35	10	8	35	10	8	—	—	—	35	10	8
300	...	...	31	2	8	4	8	0	2	5	4	37	16	0	35	10	8	2	13	4	38	4	0
400	...	...	30	0	6	5	10	2	17	16	5	53	7	1	35	10	8	18	4	5	53	15	1
450	...	...	28	18	8	6	12	0	28	8	0	63	18	8	35	10	8	29	0	0	64	10	8
500	...	...	30	4	8	6	12	0	40	1	4	76	18	0	36	16	8	40	13	4	77	10	0
600	...	...	34	15	8	6	12	0	63	8	0	104	15	8	41	7	8	64	0	0	105	7	8
700	...	...	36	4	2	9	1	6	89	5	2	134	10	10	45	5	8	90	1	8	135	7	4
800	...	...	40	10	10	9	1	6	121	6	10	170	19	2	49	12	4	122	3	4	171	15	8
900	...	...	44	17	6	9	1	6	153	8	6	207	7	6	53	19	0	154	5	0	208	4	0
936	...	...	46	7	10	9	1	6	164	19	6	220	8	10	55	9	4	165	16	0	221	5	4
5,000	...	...	46	7	10	9	1	6	1,514	8	11	1,569	18	3	55	9	4	1,515	5	5	1,570	14	9
6,000	...	...	43	12	10	11	16	6	1,976	18	1	2,032	7	5	55	9	4	1,980	9	7	2,035	18	11
7,000	...	...	42	10	10	12	18	6	2,492	8	10	2,547	18	2	55	9	4	2,497	2	4	2,552	11	8
8,000	...	...	41	8	10	14	0	6	3,046	17	5	3,102	6	9	55	9	4	3,052	12	11	3,108	2	3
9,000	...	...	40	6	10	15	2	6	3,640	3	9	3,695	13	1	55	9	4	3,647	1	3	3,702	10	7
10,000	...	...	39	4	10	16	4	6	4,276	18	0	4,332	7	4	55	9	4	4,284	17	6	4,340	6	10
12,000	...	...	38	2	10	17	6	6	5,773	6	0	5,828	15	4	55	9	4	5,782	7	6	5,837	16	10
15,000	...	...	37	0	10	18	8	6	8,207	4	0	8,262	13	4	55	9	4	8,217	7	6	8,272	16	10
20,000	...	...	35	7	10	20	1	6	12,651	16	0	12,707	5	4	55	9	4	12,663	12	6	12,719	1	10
Married Couples with two Children not over 11																							
450	...	...	35	10	8	—	—	—	—	—	—	35	10	8	35	10	8	—	—	—	35	10	8
500	...	...	35	15	0	—	—	—	—	—	—	35	15	0	35	15	0	—	—	—	35	15	0
600	...	...	40	6	0	—	—	—	—	—	—	40	6	0	40	6	0	—	—	—	40	6	0
700	...	...	44	12	8	—	—	—	—	—	—	44	12	8	44	12	8	—	—	—	44	12	8
800	...	...	44	2	8	4	8	0	10	0	10	58	11	6	48	10	8	10	8	10	58	19	6
900	...	...	46	5	4	6	12	0	28	8	0	81	5	4	52	17	4	29	0	0	81	17	4
957	...	...	48	17	4	6	12	0	41	14	0	97	3	4	55	9	4	42	6	0	97	15	4
1,000	...	...	48	17	4	6	12	0	51	14	8	107	4	0	55	9	4	52	6	8	107	16	0
1,100	...	...	48	4	10	7	4	6	75	1	4	130	10	8	55	9	4	75	13	4	131	2	8
1,200	...	...	46	7	10	9	1	6	105	6	0	160	15	4	55	9	4	106	2	6	161	11	10
5,000	...	...	46	7	10	9	1	6	1,370	1	5	1,425	10	9	55	9	4	1,370	17	11	1,426	7	3
6,000	...	...	43	12	10	11	16	6	1,788	15	7	1,844	4	11	55	9	4	1,792	7	1	1,847	16	5
7,000	...	...	42	10	10	12	18	6	2,286	16	4	2,342	5	8	55	9	4	2,291	9	10	2,346	19	2
8,000	...	...	41	8	10	14	0	6	2,823	14	11	2,879	4	3	55	9	4	2,829	10	5	2,884	19	9
9,000	...	...	40	6	10	15	2	6	3,399	11	3	3,455	0	7	55	9	4	3,406	8	9	3,461	18	1
10,000	...	...	39	4	10	16	4	6	4,018	15	6	4,074	4	10	55	9	4	4,026	15	0	4,082	4	4
12,000	...	...	38	2	10	17	6	6	5,497	13	6	5,553	2	10	55	9	4	5,506	15	0	5,562	4	4
15,000	...	...	37	0	10	18	8	6	7,914	1	6	7,969	10	10	55	9	4	7,924	5	0	7,979	14	4
20,000	...	...	35	7	10	20	1	6	12,332	8	6	12,387	17	10	55	9	4	12,344	5	0	12,399	14	4

TABLE 3.—INCOME TAX—continued



TABLE 4.—TAXATION AND MISCELLANEOUS RECEIPTS

£ million

	1964-65		1965-66 Estimate	
	Original Budget Estimate	Outturn	Before Budget Changes	After Budget Changes
<b>TAXATION</b>				
<i>Inland Revenue—</i>				
Income Tax ... ..	3,043	3,088	3,600	3,592
Surtax ... ..	195	184	200	200
Death Duties ... ..	310	297	280	280
Stamps ... ..	75	79	75	75
Profits Tax, Excess Profits Tax and Excess Profits Levy ... ..	415	423	445	445
<i>Total Inland Revenue</i> ... ..	4,038 ✓	4,071	4,600	4,592
<i>Customs and Excise—</i>				
Tobacco ... ..	958	982	980	1,054 } 931 }
Purchase Tax ... ..	605	633	647	647
Oil ... ..	621	674	711	711
Spirits, Beer and Wine ... ..	551	576	567	616
Other Revenue Duties, &c. ... ..	51	50	42	42
Import Duties Act, 1958 ... ..	165	181	165	165
Temporary Charge on Imports ... ..	—	77	138	138
<i>Total Customs and Excise</i> ... ..	2,951 ✓	3,173*	3,250†	3,373†
Motor Vehicle Duties ... ..	180 ✓	187	185†	234†
<b>TOTAL TAXATION</b> ... ..	7,169 ✓	7,431	8,035	8,199
<b>MISCELLANEOUS RECEIPTS</b>				
Interest and dividends ... ..	481	476	533	533
Broadcast Receiving Licences ... ..	57	55	57	57
Other ... ..	173	195	237‡	237‡
<b>Total</b> ... ..	7,880	8,157	8,862	9,026

\* The outturn reflects the yields from the additional duty on oil and from the temporary charge on imports imposed in the November 1964 Budget (see Supplementary Financial Statement (1964-65)—H.C.15).

† The 1965-66 estimates allow for the cost of export rebates which is estimated at £95 million attributable as follows:

Purchase Tax ... ..	£6 million
Oil Duty ... ..	£74 million
Motor Vehicle Duties ... ..	£15 million

‡ Includes a net saving of £35 million overall from the cancellation of TSR-2 aircraft contracts. This is likely to be realised mainly as further Exchequer Extra Receipts on the Ministry of Aviation (Purchasing (Repayment) Services) Vote (Class IV, 8), partly offset by a small increase on Supply Services.



TABLE 5.—SUPPLY SERVICES AND CONSOLIDATED FUND  
STANDING SERVICES

£ million

							1964-65		1965-66
							Original Budget Estimate	Outturn	Estimate
SUPPLY SERVICES*									
<i>Defence Budget—</i>									
Defence—(Central)	...	...	...	...	...	...	27	25	28
(Navy)	...	...	...	...	...	...	488	476	544
(Army, &c.)	...	...	...	...	...	...	517	479	556
(Air)	...	...	...	...	...	...	516	513	562
Ministry of Aviation	...	...	...	...	...	...	275	255	255
Ministry of Public Building and Works	...	...	...	...	...	...	167	152	170
Atomic Energy Authority	...	...	...	...	...	...	7	7	5
<i>Total Defence Budget</i>	...	...	...	...	...	...	1,997	1,907	2,120
<i>Other Supply—</i>									
I. Government and Exchequer	...	...	...	...	...	...	96	102	109
II. Commonwealth and Foreign	...	...	...	...	...	...	184	244	217
III. Home and Justice	...	...	...	...	...	...	158	159	174
IV. Industry, Trade and Transport	...	...	...	...	...	...	524	490	543
V. Agriculture	...	...	...	...	...	...	366	304	339
VI. Local Government, Housing and Social Services	...	...	...	...	...	...	2,588	2,638	2,923
VII. Education and Science	...	...	...	...	...	...	353	365	410
VIII. Museums, Galleries and the Arts	...	...	...	...	...	...	9	9	10
IX. Public Buildings and Common Governmental Services	...	...	...	...	...	...	177	168	189
X. Smaller Public Departments	...	...	...	...	...	...	7	7	8
XI. Miscellaneous	...	...	...	...	...	...	88	86	90
Defence (Army) Purchasing (Repayment) Services	...	...	...	...	...	...	2	1	2
<i>Total Other Supply</i>	...	...	...	...	...	...	4,552	4,573	5,014
<b>TOTAL SUPPLY SERVICES</b>	...	...	...	...	...	...	6,549	6,480	7,134
CONSOLIDATED FUND STANDING SERVICES									
Interest on and management of National Debt	...	...	...	...	...	...	1,085	1,065	1,175
Northern Ireland—share of reserved taxes, &c.	...	...	...	...	...	...	126	139	144
Payments arising from war-time liabilities—									
War Damage	...	...	...	...	...	...	4	3	4
Post-war credits (including interest)	...	...	...	...	...	...	19	17	17
Miscellaneous	...	...	...	...	...	...	9	9	8
<b>Total</b>	...	...	...	...	...	...	7,792	7,713	8,482

\* The 1964-65 figures have, for purposes of comparison, been adjusted to take account of transfers of services between Votes, including transfers between Defence Budget and Other Supply.



TABLE 6.—CONSOLIDATED FUND LOANS TO INDUSTRY

								£ million		
								1964-65		1965-66
								Original Budget Estimate	Outturn	Estimate
<i>Loans to Nationalised Industries (net)</i>										
Post Office	...	...	...	...	...	...	...	100	85	130
National Coal Board	...	...	...	...	...	...	...	-13*	29	53
Electricity Council	...	...	...	...	...	...	...	352	317	365
North of Scotland Hydro-Electric Board	...	...	...	...	...	...	...	16	15	14
South of Scotland Electricity Board	...	...	...	...	...	...	...	25	28	34
Gas Council	...	...	...	...	...	...	...	21	50	67
British Overseas Airways Corporation	...	...	...	...	...	...	...	19	5	—
British European Airways	...	...	...	...	...	...	...	6	2	9
British Railways Board	...	...	...	...	...	...	...	30	20	20
London Transport Board	...	...	...	...	...	...	...	12	13	16
British Transport Docks Board	...	...	...	...	...	...	...	4	—	4
British Waterways Board	...	...	...	...	...	...	...	1	1	—
<i>Loans to Private Industry</i>										
Shipbuilding Credit Scheme (net)	...	...	...	...	...	...	...	29	21	31
<b>Total</b>	...	...	...	...	...	...	...	<b>602</b>	<b>586</b>	<b>743</b>

*Note.*—Further details of these items are contained in the White Paper on Loans from the Consolidated Fund, 1965-66 (Cmnd. 2624).

\* Net repayment.



TABLE 7.—OTHER CONSOLIDATED FUND LOANS

£ million

Receipts				Payments		
1964-65		1965-66		1964-65		1965-66
Original Budget Estimate	Outturn	Estimate		Original Budget Estimate	Outturn	Estimate
			<i>Loans to Local Authorities and other Public Bodies</i>			
—	—	—	Local Authorities (through Local Loans Fund) (net) ...	127	209	320*
—	—	—	Northern Ireland Exchequer (net) ...	10	4	12
2	1	2	New Towns—Development Corporations and Commission ...	42	39	52
—	—	—	Scottish Special Housing Association (net)... ..	6	5	7
—	—	—	Housing Corporation ... ..	5	—	6
—	—	—	Harbour Authorities ... ..	16	—	4
30	30	—	Iron and Steel Holding and Realisation Agency: Surplus receipts ...	—	—	—
9	34	—	Sugar Board (net) ... ..	—	—	—
—	—	—	National Research Development Corporation ... ..	1	1	4
2	—	—	National Film Finance Corporation (net)... ..	—	—	—
			<i>Loans for Overseas Assistance</i>			
1	2	2	Colonial Governments ... ..	6	2	8
—	—	—	Commonwealth Development Corporation (net) ... ..	3	3	3
10	10	14	Export Guarantees Acts ... ..	65	55	70
			<i>Other Advances and Repayments</i>			
—	—	—	Married quarters for Armed Forces (net)... ..	9	5	13
—	—	—	Housing Associations ... ..	5	4	10
3	3	3	Building Societies ... ..	—	—	—
3	3	3	Town and Country Planning compensation ... ..	—	—	—
60	83	24	<b>Totals ... ..</b>	<b>295</b>	<b>327</b>	<b>509</b>
			<b>Total (net) ... ..</b>	<b>235</b>	<b>244</b>	<b>485*</b>

Note.—Further details of these items are contained in the White Paper on Loans from the Consolidated Fund, 1965-66 (Cmnd. 2624).

\* £90 million of this figure is attributable to the increased access for Local Authorities to the Public Works Loan Board referred to in paragraph 9 of Cmnd. 2624. Following the arrangements announced in the Budget Speech, the increase of £90 million will rise to £130 million and the total to £360 million. The increase of £130 million in borrowing through the Public Works Loan Board will be matched by a decrease of the same amount in Local Authority borrowing from the market.

The net total of Other Consolidated Fund Loans becomes £525 million.



TABLE 8.—EXCHEQUER BORROWING AND SPECIAL TRANSACTIONS

£ million

	1964-65 Outturn	
	Receipts	Payments
<b>EXCHEQUER BORROWING:</b>		
Marketable securities:		
New Issues:		
5% Exchequer Stock, 1967 ... ..	434	—
5½% Funding Loan, 1987-91 ... ..	388	—
Redemptions:		
2½% Exchequer Stock, 1963-64 ... ..	—	274
4½% Conversion Stock, 1964 ... ..	—	505
4% Treasury Stock, 1965 ... ..	—	391
Statutory Sinking Funds ... ..	—	42
Terminable Annuities (National Debt Commissioners) ... ..	—	77
National Savings Securities (net):		
National Savings Certificates ... ..	—	34
Defence Bonds ... ..	—	73
National Development Bonds ... ..	152	—
Premium Savings Bonds ... ..	53	—
National Savings Stamps and Gift Tokens ... ..	2	—
Tax Reserve Certificates (net) ... ..	—	41
Floating Debt (net) ... ..	281	—
Other Debt—payable in sterling:		
Interest-free notes (net) ... ..	352	—
Other ... ..	—	7
Other Debt—payable in external currencies... ..	—	29
<b>SPECIAL TRANSACTIONS:</b>		
Decrease in sterling capital of Exchange Equalisation Account ... ..	200	—
Decrease in capital of Civil Contingencies Fund ... ..	2	—
Subscription to International Development Association ... ..	—	9
Receipts arising from transfer of British Transport Stock Redemption Fund ... ..	3	—
Decrease in Exchequer balance ... ..	1	—
	1,868	1,482
<b>Balance of Receipts over Payments</b> ... ..	<b>386</b>	



TABLE 9.—SUMMARY OF EXCHEQUER RECEIPTS AND ISSUES

£ million

	1964-65		1965-66 Estimate	
	Original Budget Estimate	Outturn	Before Budget Changes	After Budget Changes
<b>REVENUE (Table 4)</b>				
Taxation ... ..	7,169	7,431	8,035	8,199
Miscellaneous Receipts ... ..	711	726	827*	827*
<b>TOTAL ... ..</b>	<b>7,880</b>	<b>8,157</b>	<b>8,862</b>	<b>9,026</b>
<b>EXPENDITURE (Table 5)</b>				
Supply Services ... ..	6,549	6,480	7,134	7,134
Consolidated Fund Standing Services ... ..	1,243	1,233	1,348	1,348
<b>TOTAL ... ..</b>	<b>7,792</b>	<b>7,713</b>	<b>8,482</b>	<b>8,482</b>
<b>SURPLUS ... ..</b>	<b>88</b>	<b>444</b>	<b>380</b>	<b>544</b>
<b>CONSOLIDATED FUND LOANS (NET):</b>				
To Industry (Table 6) ... ..	602	586	743	743
Other (Table 7) ... ..	235	244	485	525†
<b>TOTAL ... ..</b>	<b>837</b>	<b>830</b>	<b>1,228</b>	<b>1,268</b>
<b>EXCHEQUER BORROWING AND SPECIAL TRANS- ACTIONS (NET) (Table 8) ... ..</b>				
<b>LENDING MET FROM SURPLUS ...</b>	<b>749</b>	<b>386</b>	<b>848</b>	<b>724‡</b>
	<b>88</b>	<b>444</b>	<b>380</b>	<b>544</b>

\* Includes a net saving of £35 million overall from the cancellation of TSR-2 aircraft contracts. This is likely to be realised mainly as further Exchequer Extra Receipts on the Ministry of Aviation (Purchasing (Repayment) Services) Vote (Class IV, 8), partly offset by a small increase on Supply Services.

† See note \* to Table 7: £130 million of this amount will be matched by a corresponding decrease in Local Authority borrowing from the market.

‡ But for the new arrangements referred to in the previous note, estimated Exchequer borrowing in 1965-66 would have been £594 million.



TABLE 10.—RECONCILIATION OF NEW WITH PREVIOUS CLASSIFICATION\*

£ million

New Classification	Old Classification	1964-65		1965-66 Estimate	
		Budget Estimate	Outturn	Before Budget changes	After Budget changes
<b>REVENUE</b>					
Taxation ... ..	Total Tax Revenue ... ..	7,169	7,431	8,035	8,199
Miscellaneous Receipts					
Interest and dividends ... ..	Miscellaneous Revenue (part) ... ..	56	46	48	48
	Interest receipts below the line† ... ..	425	430	485	485
		481	476	533	533
Broadcast Receiving Licences ... ..	Broadcast Receiving Licences ... ..	57	55	57	57
Other ... ..	Miscellaneous Revenue (balance) ... ..	173	195	237	237
Total Miscellaneous Receipts ... ..		711	726	827	827
<b>TOTAL REVENUE</b> ... ..		<b>7,880</b>	<b>8,157</b>	<b>8,862</b>	<b>9,026</b>
<b>EXPENDITURE</b>					
Supply Services ... ..	Total Supply ... ..	6,549	6,480	7,134	7,134
Consolidated Fund Standing Services					
	Consolidated Fund Services ... ..	839	827	887	887
	Interest receipts applied to interest on the National Debt† ... ..	425	430	485	485
	War damage† ... ..	4	3	4	4
	Post-war credits (principal)† ... ..	17	15	15	15
	Less Sinking Funds‡ ... ..	-42	-42	-43	-43
		1,243	1,233	1,348	1,348
<b>TOTAL EXPENDITURE</b> ... ..		<b>7,792</b>	<b>7,713</b>	<b>8,482</b>	<b>8,482</b>
<b>SURPLUS</b> ... ..	Surplus above the line ... ..	67	420	356	520
	Add—Adjustment for Sinking Funds... ..	42	42	43	43
	Less—War damage payments and Post-war credits ... ..	-21	-18	-19	-19
		88	444	380	544
<b>CONSOLIDATED FUND LOANS (net)</b> ... ..	Net payments below the line (except war damage payments and Post-war credits) ... ..	837	830	1,228	1,268
<b>EXCHEQUER BORROWING AND SPECIAL TRANSACTIONS</b> ... ..	Borrowing requirement ... ..	791	428	891	767
	Less Sinking Funds ... ..	-42	-42	-43	-43
		749	386	848	724
<b>LENDING MET FROM SURPLUS</b> ... ..		<b>88</b>	<b>444</b>	<b>380</b>	<b>544</b>

\* See Financial Statement (1964-65)—H.C. 179.

† Below the line items in the previous classification.

‡ This item is now included in Exchequer borrowing transactions (Table 8).



TABLE 11.—NATIONAL ACCOUNTS CLASSIFICATION OF CENTRAL GOVERNMENT TRANSACTIONS\*

£ million

RECEIPTS	1964-65		1965-66 Estimate		EXPENDITURE	1964-65		1965-66
	Budget Estimate	Provi- sional Outturn	Before Budget Changes	After Budget Changes		Budget Estimate	Provi- sional Outturn	Estimate
Gross trading income ... ..	16	25	30	30	Current expenditure on goods and services ...	3,647	3,580	3,861
Gross rental income ... ..	98	98	100	100	Debt interest ... ..	984	975	1,078
Interest on loans to:					Subsidies... ..	538	493	518
Local authorities ... ..	128	128	136	136	Current grants to:			
Public corporations ... ..	308	300	338	338	Local authorities ... ..	1,148	1,163	1,261
Other interest, dividends, &c. ...	116	129	142	142	Persons and non-profit-making bodies ...	2,219	2,227	2,612
Taxes on income ... ..	3,658	3,695	4,250	4,242	Abroad ... ..	158	213	178
National insurance contributions ...	1,256	1,282	1,588	1,588	Capital grants to:			
National health contributions ...	168	169	170	170	Local authorities ... ..	77	70	87
Taxes on expenditure ... ..	3,282	3,518	3,590	3,762	Public corporations ... ..	3	2	2
Taxes on capital ... ..	312	299	282	282	Private sector ... ..	125	118	154
Proceeds of iron and steel disposals	10	18	—	—	Gross fixed capital formation at home ...	299	285	331
Loan repayments from overseas					Increase in value of stocks ... ..	14	14	15
governments ... ..	26	26	31	31	Net lending to:			
Receipts from certain pension					Local authorities ... ..	163	245	386†
“funds” (net) ... ..	54	52	52	52	Public corporations ... ..	619	587	791
Adjustment for accruals of:					Private sector at home ... ..	48	38	50
Taxes on expenditure ... ..	—9	—10	—10	—10	Net lending abroad for private industry, &c.	—4	—4	—4
Subsidies ... ..	—	—	—	—	Loans to overseas governments ... ..	82	80	100
Changes in creditors, debtors and					Drawings from United Kingdom subscriptions			
balances ... ..	—6	12	—11	—11	to international lending bodies ... ..	10	10	10
Sales of foreign exchange (net) ...	713	{ 118 }	702	578				
Net borrowing† ... ..								
TOTAL ... ..	10,130	10,096	11,390	11,430	TOTAL ... ..	10,130	10,096	11,430‡

\* This table shows how the transactions of the Central Government sector of the economy, including the National Insurance Funds, are recorded in the statistics of national income and expenditure published by the Central Statistical Office. The coverage, type of classification, and basis of recording transactions differ in some important respects from Tables 4 to 9 which relate simply to cash transactions of the Exchequer alone. A reconciliation between this Table and Table 9 is provided in the Annex.

† This is equal to the sum of the following: borrowing from, less repayments to, overseas governments; increase in holdings of interest-free notes by, less capital subscriptions to, International Monetary Fund; increase in net indebtedness to Bank of England Banking Department; increase in notes and coin in circulation; increase in non-marketable debt; net receipts from market transactions; and net borrowing by Northern Ireland Central Government.

‡ This figure takes account of the new arrangements for lending to local authorities announced in the Budget Speech.



ANNEX.—RECONCILIATION BETWEEN EXCHEQUER RECEIPTS AND ISSUES (AS IN TABLE 9) AND NATIONAL ACCOUNTS CLASSIFICATION OF CENTRAL GOVERNMENT TRANSACTIONS (AS IN TABLE 11)

£ million

	RECEIPTS				EXPENDITURE		
	1964-65		1965-66 Estimate		1964-65		1965-66
	Budget Estimate	Provisional Outturn	Before Budget Changes	After Budget Changes	Budget Estimate	Provisional Outturn	Estimate
<i>Exchequer receipts and issues (Table 9)—</i>							
Taxation and miscellaneous receipts ...	7,880	8,157	8,862	9,026	—	—	—
Borrowing and special transactions (net)...	749	386	848	724	—	—	—
Supply services and Consolidated Fund Standing Services ...	—	—	—	—	7,792	7,713	8,482
Consolidated Fund Loans (net) ...	—	—	—	—	837	830	1,268
<i>Reconciliation with National Accounts Classification—</i>							
Coverage differences <sup>(1)</sup> :							
Elimination of internal transfers between Exchequer and other parts of central government <sup>(2)</sup> ...	-251	-251	-381	-381	-617	-620	-768
National Insurance Funds <sup>(3)</sup> ...	1,270	1,294	1,600	1,600	1,560	1,566	1,878
Other extra-Exchequer funds and Northern Ireland central government <sup>(4)</sup> ...	91	98	84	84	167	195	193
Differences in netting of receipts and payments:							
National health contributions ...	162	163	164	164	162	163	164
Other items <sup>(5)</sup> ...	106	114	90	90	106	114	90
Differences in basis of recording:							
Accrued interest on National Saving Certificates and other imputations	109	109	109	109	109	109	109
Other adjustments ...	14	26	14	14	14	26	14
Totals in National Accounts Classification (Table 11) ...	10,130	10,096	11,390	11,430	10,130	10,096	11,430

(1) In national income statistics the central government sector of the economy includes a number of extra-Exchequer agencies, funds, &c.:—chiefly, the National Insurance Funds, Issue Department of the Bank of England, Exchange Equalisation Account, Savings Banks Funds, Local Loans Fund, National Land Fund, Civil Contingencies Fund, Redemption Annuities Account, Irish Land Purchase Fund. The central government of Northern Ireland is also included. In the national accounts classification transactions between the Exchequer and other parts of the central government are replaced by the transactions of the latter with the rest of the economy.

(2) The main internal transfers are the Exchequer contributions to the National Insurance Funds, payment to Northern Ireland central government of the share of reserved taxes, &c., and payment of debt interest to extra-Exchequer funds.

(3) The main items are receipts of national insurance contributions and payments of national insurance benefits.

(4) Mainly the transactions of the central government of Northern Ireland other than those with other parts of the central government sector, and interest received by extra-Exchequer funds from outside the central government.

(5) Some receipts passed to the Exchequer are treated in national income statistics as offsets to the corresponding expenditure (e.g., receipts from the turnover of strategic stocks); some receipts which are authorised as "Appropriations-in-Aid" of Votes are treated as part of tax revenue, gross trading and rental income and financial receipts. In addition, some Exchequer receipts do not appear on the receipts side of the summary Exchequer table (Table 9), because they are netted off issues from the Consolidated Fund, but appear on the receipts side of the national accounts classification (e.g., loan repayments from overseas governments).



Printed and published by  
HER MAJESTY'S STATIONERY OFFICE

To be purchased from  
York House, Kingsway, London w.c.2  
423 Oxford Street, London w.1  
13A Castle Street, Edinburgh 2  
109 St. Mary Street, Cardiff  
39 King Street, Manchester 2  
50 Fairfax Street, Bristol 1  
35 Smallbrook, Ringway, Birmingham 5  
80 Chichester Street, Belfast 1  
or through any bookseller

*Printed in England*