

FINANCIAL STATEMENT (1946-47)

RETURN to an Order of the Honourable The House of Commons
dated 9 April, 1946:—*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,
9 April, 1946 } W. GLENVIL HALL

(Mr. Glenvil Hall)

Ordered by The House of Commons to be Printed
9 April, 1946



LONDON
HIS MAJESTY'S STATIONERY OFFICE

SIXPENCE NET

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1945-46.

TABLE I.—Comparison of Exchequer Issues with Estimated Expenditure.

	1945-46.			
	Total Expenditure provided for in the Budget.	Supplementary Votes subsequently granted.	Total Estimated Expenditure.	Exchequer Issues.
Ordinary Expenditure.				
CONSOLIDATED FUND SERVICES.	£	£	£	£
Interest and Management of National Debt	465,000,000	—	465,000,000	455,446,000*†
Payments to Northern Ireland Exchequer†	11,000,000	—	11,000,000	12,266,000
Other Consolidated Fund Services	8,000,000	—	8,000,000	8,015,000
Total	484,000,000	—	484,000,000	475,727,000
SUPPLY SERVICES				
Defence Token Votes	4,000	—	4,000	4,000
Civil Votes	549,905,000	39,823,000	589,728,000	559,750,000
Customs and Excise, Inland Revenue and balance of Post Office Votes	31,372,000	—	31,372,000	29,298,000
Votes of Credit	4,500,000,000	250,000,000	4,750,000,000	4,410,000,000
Total Supply Services	5,081,281,000	289,823,000	5,371,104,000	4,999,052,000
Total Ordinary Expenditure	5,565,281,000	289,823,000	5,855,104,000	5,474,779,000
Sinking Funds	—	—	—	9,554,000†
	5,565,281,000	289,823,000	5,855,104,000	5,484,333,000
Self-Balancing Expenditure.				
Post Office Expenditure corresponding to Revenue	114,100,000	—	114,100,000	115,500,000§
Excess Profits Tax, Post-war Refunds (part deducted for tax)	—	—	—	1,253,000
Total Self-Balancing Expenditure	114,100,000	—	114,100,000	116,753,000

* In addition £19,443,000 for Interest of the National Debt was met from receipts under Section 1 (5) (b) of the Defence Loans Act, 1937, Section 4 (5) (a) of the Overseas Trade Guarantees Act, 1939, and Section 8 (4) (b) of the Housing (Temporary Accommodation) Act, 1944. (See page 5.)

† These two items together make up the total of the Permanent Debt Charge (£465,000,000) as fixed by Section 6 (1) of the Finance Act, 1945. In addition Sinking Fund payments amounting to £6,942,000 were made outside the Permanent Debt Charge (see page 5).

‡ Proceeds of reserved taxes in Northern Ireland after deduction of Imperial Contribution and cost of reserved services in Northern Ireland.

§ In addition, £4,750,000 was issued to the Post Office from Votes of Credit.

1945-46.

TABLE II.—Comparison of Exchequer Receipts with Budget Estimate.

1944-45 Exchequer Receipts.	—	1945-46.		
		Budget Estimate (April 1945).	Exchequer Receipts.	+ Increase or - Decrease.
	Ordinary Revenue.			
	INLAND REVENUE.			
£		£	£	£
1,316,839,000	Income Tax	1,350,000,000	1,361,346,000	+ 11,346,000
73,535,000	Sur-tax	80,000,000	69,069,000	- 10,931,000
110,888,000	Estate Duties	115,000,000	120,301,000	+ 5,301,000
17,010,000	Stamps	19,000,000	25,099,000	+ 6,099,000
33,304,000	National Defence Con- tribution	500,000,000	35,485,000	} - 33,638,000
477,134,000	Excess Profits Tax		430,877,000	
779,000	Other Inland Revenue Duties	1,000,000	712,000	- 288,000
2,029,489,000		2,065,000,000	2,042,889,000	- 22,111,000
	CUSTOMS AND EXCISE.			
579,352,000	Customs	589,000,000	569,842,000	- 19,158,000
496,900,000	Excise	541,000,000	540,800,000	- 200,000
1,076,252,000		1,130,000,000	1,110,642,000	- 19,358,000
28,965,000	MOTOR VEHICLE DUTIES ...	30,000,000	43,172,000	+ 13,172,000
3,134,706,000	TOTAL RECEIPTS FROM TAXES	3,225,000,000	3,196,703,000	- 28,297,000
4,820,000	Wireless Licences	4,850,000	5,180,000	+ 330,000
980,000	Crown Lands	1,000,000	960,000	- 40,000
7,520,000	Receipts from Sundry Loans	11,150,000	11,047,000	- 103,000
90,037,000	Miscellaneous	23,000,000	70,560,000	+ 47,560,000
3,238,063,000	Total Ordinary Revenue	3,265,000,000	3,284,450,000	+ 19,450,000
	Self-Balancing Revenue.			
116,600,000	Post Office Revenue ...	114,100,000	115,500,000	+ 1,400,000
—	Income Tax deducted from Excess Profits Tax, Post- war refunds	—	1,253,000	+ 1,253,000
116,600,000	Total Self-Balancing Revenue	114,100,000	116,753,000	+ 2,653,000

NOTE: *Post-war Credits.*—The total amount of the post-war credits in respect of Income Tax accrued up to 31st March, 1946, is about £800,000,000.

Refund of Excess Profits Tax.—The total amount of Excess Profits Tax, Post-war refunds due at the same date is about £450,000,000 gross or £250,000,000 after deduction of income tax.

1945-46.

TABLE III.—EXCHEQUER BALANCE SHEET of 1945-46.

Receipts.		Payments.	
£		£	
Ordinary Revenue	3,284,450,000	Ordinary Expenditure	5,474,779,000
		Sinking Funds	*9,554,000
			<u>5,484,333,000</u>
Self-Balancing Revenue	116,753,000	Self-Balancing Expenditure	116,753,000
	<u>3,401,203,000</u>		<u>5,601,086,000</u>
Receipts under Section 1 (4) of the Defence Loans Act, 1937	19,206,000	Issues under Section 1 (5) (b) of the Defence Loans Act, 1937	19,206,000
Receipts under Section 4 (4) (b) of the Overseas Trade Guarantees Act, 1939	210,000	Issues under Section 4 (5) (a) of the Overseas Trade Guarantees Act, 1939	210,000
Receipts under Section 8 (3) of the Housing (Temporary Accommodation) Act, 1944	27,000	Issues under Section 8 (4) (b) of the Housing (Temporary Accommodation) Act, 1944	27,000
Money raised by creation of Debt (Total £2,902,200,000):—		Issues for Redemption of Debt (Total £832,791,000):—	
National Savings Certificates...	204,150,000	National Savings Certificates...	109,350,000
3 per cent. Defence Bonds	221,400,000	3 per cent. Defence Bonds	21,265,000
2½ per cent. National War Bonds, 1952-54... ..	170,000	2 per cent. Conversion Loan, 1945	245,243,000
2½ per cent. National War Bonds, 1954-56... ..	426,082,000	5 per cent. Conversion Loan, 1944	150,000
3 per cent. Savings Bonds 1965-75	863,354,000	2½ per cent. National Defence Bonds, 1945-48... ..	20,033,000
1¾ per cent. Exchequer Bonds, 1950	124,443,000	3 per cent. Terminable Annuities (National Debt Commissioners)	24,030,000
3 per cent. Terminable Annuities (National Debt Commissioners)	320,000,000	Tax Reserve Certificates (net)	34,833,000
Treasury Bills (net)	742,601,000	Other Debt under the National Loans Acts, 1939-45 (net)	6,077,000
Receipts under Section 16 (3) of the War Risks Insurance Act, 1939	170,500,000	Ways and Means Advances (net)	71,810,000
Repayments, &c. :—		Treasury Deposits by Banks (net)	300,000,000
Under Defence Loans Acts, 1937 and 1939	15,726,000	Excess Profits Tax, Post-war refunds (balance after deduction of tax)	1,532,000
Under Land Settlement (Facilities) Acts, 1919 and 1921	196,000	Sinking Funds	*6,942,000
Under Section 26 of the Tithe Act, 1936	2,469,000	Issues under the following Acts :—	
Under Section 4 of the Overseas Trade Guarantees Act, 1939	3,731,000	Overseas Trade Guarantees Act, 1939 (S.4 (1))	1,633,000
Under Section 1 of the North Atlantic Shipping Act, 1934	1,000,000	Tithe Act, 1936 (S.26 (1))	2,320,000
Under Section 8 (1) of the Housing (Temporary Accommodation) Act, 1944... ..	98,000	Housing (Temporary Accommodation) Act, 1944 (S.8 (1))	46,000,000
		Housing (Scotland) Act, 1944 (S.4 (2))	278,000
		Bretton Woods Agreements Act, 1945 (S. 2 (1))	65,000
		Building Materials and Housing Act, 1945 (S. 1 (1))	3,750,000
Exchequer Balance on 31st March, 1945	2,501,000	Exchequer Balance on 31st March, 1946	3,227,000
	<u>£6,519,067,000</u>		<u>£6,519,067,000</u>

* These two items provided the amounts required for the Statutory Sinking Funds as follows:—

	£
Capital of Terminable Annuities	1,087,000
4 per cent. Funding Loan Sinking Fund	5,690,000
3 per cent. Funding Loan Sinking Fund	4,831,000
Victory Bonds Sinking Fund	4,888,000
Total	<u>£16,496,000</u>

TABLE IV.
NATIONAL DEBT (INTERNAL).
(Approximate Totals on 31st March, 1946.)

	£
2½% Consols, &c.	313,138,000
4% Consols, 1957 or after	400,691,000
2¾% Funding Loan, 1952-57	100,562,000
2½% Funding Loan, 1956-61	200,211,000
3% Funding Loan, 1959-69	358,332,000
4% Funding Loan, 1960-90	313,952,000
2% Conversion Loan, 1945	100,000*
2½% Conversion Loan, 1944-49	206,522,000†
3% Conversion Loan, 1948-53	301,834,000
3½% Conversion Loan, 1961 or after	739,308,000
2½% National Defence Bonds, 1944-48	60,099,000
3% National Defence Loan, 1954-58... ..	320,820,000
3½% War Loan, 1952 or after	1,910,932,000
3% War Loan, 1955-59	302,519,000
2½% National War Bonds, 1945-47	444,044,000‡
2½% National War Bonds, 1946-48	493,325,000
2½% National War Bonds, 1949-51	714,181,000
2½% National War Bonds, 1951-53	522,302,000
2½% National War Bonds, 1952-54	809,688,000
2½% National War Bonds, 1954-56	426,082,000
3% Savings Bonds, 1955-65	712,715,000
3% Savings Bonds, 1960-70	1,009,038,000
3% Savings Bonds, 1965-75	1,057,339,000
1¾% Exchequer Bonds, 1950	326,843,000
3% Treasury Stock, 1966 or after	58,212,000
4% Victory Bonds (repayable by annual drawings ending 1976)	279,877,000
Terminable Annuities	13,448,000
3% Terminable Annuities	1,121,506,000§
3% Defence Bonds	962,454,000
National Savings Certificates	1,605,433,000
Tax Reserve Certificates	647,679,000
Other Debt, &c.	156,013,000
Treasury Deposit Receipts	1,559,000,000
Treasury Bills	4,423,355,000
Ways and Means Advances	504,650,000
	<hr/>
<i>Deduct:</i>	23,376,204,000
Victory Bonds, &c., purchased by National Debt Commissioners, but not yet cancelled	105,342,000
	<hr/>
<i>Total National Debt (Internal) net on 31st March, 1946</i>	<u>23,270,862,000</u>

EXTERNAL DEBT.—Apart from the settlement in respect of Lend-Lease and similar transactions with the Government of the United States of America, details of which have already been explained to Parliament, there has been no significant change from the position as at the 31st March, 1945, set out on page 6 of the Financial Statement (1945-46) (House of Commons Paper 70 of 1945).

* Balance of redemption moneys unissued at 31st March, 1946.

† On 1st April, 1946, £175,783,000 was converted into 1¾% Exchequer Bonds, 1950, and the balance repaid in cash.

‡ Out of this total £283,975,000 was converted on 1st April, 1946, into 1¾% Exchequer Bonds, 1950. The balance will be repaid in cash on 1st July, 1946.

§ Issued to National Debt Commissioners.

|| Shown at issue price, exclusive of accrued interest.

TABLE V.—National Expenditure and Rates collected by Local Authorities over a series of years.

Year.	National Expenditure.			Rates collected by Local Authorities, §
	Ordinary Expenditure.*	Issues under Defence Loans Acts, 1937 and 1939.	Total of Columns 2 and 3.	
(1)	(2)	(3)	(4)	(5)
	£000.	£000.	£000.	£000.
1938-39	941,381	128,050	1,069,431	212,578
1939-40	1,275,756	491,750	1,767,506	223,536
1940-41	3,818,719	—	3,818,719	226,267
1941-42	4,839,849	—	4,839,849	220,968
1942-43	5,433,296	—	5,433,296	222,246†
1943-44	5,797,498	—	5,797,498	225,396†
1944-45	6,062,905‡	—	6,062,905	228,285†
1945-46	5,484,333‡	—	5,484,333	¶244,806†

* Including Sinking Fund payments when met from the Permanent Debt Charge.

† Estimated.

‡ Exchequer Issues.

§ Since a large portion of local authorities' expenditure is met out of Exchequer grants, already included in Column (2), the simplest approximate index to the actual burden of local expenditure is afforded by the figures of rates collected, which over a series of years represent very closely the expenditure falling on rates.

¶ viz., England and Wales £218,500,000, Scotland £26,306,000.

1946-47.

TABLE VI.—Comparison of Estimated EXPENDITURE under Budget heads.

Service.	Budget Estimate, 1945-46.	Estimate, 1946-47.	+ Increase or - Decrease.
	£	£	£
Ordinary Expenditure.			
CONSOLIDATED FUND SERVICES.			
Interest and Management of National Debt	465,000,000	490,000,000	+ 25,000,000
Payments to Northern Ireland Exchequer*	11,000,000	20,000,000	+ 9,000,000
Issue to National Land Fund	—	50,000,000	+ 50,000,000
Other Consolidated Fund Services	8,000,000	8,000,000	—
TOTAL	484,000,000	568,000,000	+ 84,000,000
SUPPLY SERVICES			
Army Votes	†1,000	682,000,000	} - 1,762,364,000
Navy Votes	†2,000	255,075,000	
Air Votes	†1,000	255,500,000	
Ministry of Supply	†	474,000,000	
Total Defence and Supply Departments	†4,000	1,666,575,000	
Other Civil Votes	549,905,000	1,616,749,000	
Customs and Excise, Inland Revenue and balance of Post Office Votes	31,372,000	35,593,000	
Votes of Credit	4,500,000,000	—	
TOTAL SUPPLY SERVICES	5,081,281,000	3,318,917,000	
Total Ordinary Expenditure	5,565,281,000	3,886,917,000	- 1,678,364,000
Self-Balancing Expenditure.			
Post Office Expenditure corresponding to Revenue... ..	114,100,000	120,900,000	+ 6,800,000
Excess Profits Tax Post-war refunds (Part deducted for tax)	—	§	—
Total Self-Balancing Expenditure	114,100,000	120,900,000	+ 6,800,000

* Proceeds of reserved taxes in Northern Ireland after deduction of Imperial Contribution and cost of reserved services in Northern Ireland.

† Token Votes—substantive cost met from Votes of Credit.

§ Payments under this head depend upon the amount of Excess Profits Tax, Post-war refunds paid out during the year, for which reliable estimates are not available.

1946-47.

TABLE VII.—Classified Statement of Estimated EXPENDITURE.*

	1946-47.	
	£000.	£000.
1. NATIONAL DEBT INTEREST AND MANAGEMENT		490,000
2. NATIONAL LAND FUND		50,000
3. DEFENCE AND SUPPLY DEPARTMENTS—		
Navy	255,075	
Army	682,000	
Air	255,500	
Ministry of Supply	474,000	
		1,666,575
4. ASSISTANCE TO LOCAL SERVICES (<i>For details see Table VII (a)</i>)		290,150
5. NATIONAL INSURANCE, PENSIONS, &c. (<i>For details see Table VII (b)</i>)		342,560
6. TAX COLLECTION—		
Customs and Excise	8,401	
Inland Revenue	16,021	
		24,422
7. POST OFFICE (excess over Revenue)		10,520
8. OTHER SERVICES—		
General (<i>For details see Table VII (c)</i>)		564,050
Terminal or temporary services arising out of the war (<i>For details see Table VII (d)</i>)		448,640
Total Ordinary Expenditure		3,886,917
9. SELF-BALANCING SERVICE—		
Post Office Expenditure corresponding to Revenue		120,900

* The war-time procedure under which a large proportion of the total expenditure in 1945-46 was met from Votes of Credit makes it impracticable to compare the figures in this Table with any corresponding estimates for 1945-46.

1946-47.

TABLE VIII.—Comparison of Estimated RECEIPTS from Revenue in 1946-47 with corresponding Receipts in 1945-46.

On the basis of existing Taxation.

	Receipts in 1945-46.	Estimate for 1946-47 on basis of existing Taxation.	+ Increase or - Decrease.
Ordinary Revenue :			
	£	£	£
INLAND REVENUE.			
Income Tax	1,361,346,000	1,145,000,000	- 216,346,000
Sur-tax	69,069,000	80,000,000	+ 10,931,000
Estate Duties	120,301,000	125,000,000	+ 4,699,000
Stamps	25,099,000	29,000,000	+ 3,901,000
National Defence Contribution	35,485,000	} 325,000,000	- 141,362,000
Excess Profits Tax	430,877,000		
Other Inland Revenue Duties	712,000	1,000,000	+ 288,000
	2,042,889,000	1,705,000,000	- 337,889,000
CUSTOMS AND EXCISE.			
Customs	569,842,000	595,000,000	+ 25,158,000
Excise	540,800,000	605,000,000	+ 64,200,000
	1,110,642,000	1,200,000,000	+ 89,358,000
MOTOR VEHICLE DUTIES	43,172,000	45,000,000	+ 1,828,000
TOTAL RECEIPTS FROM TAXES	3,196,703,000	2,950,000,000	- 246,703,000
Sale of Surplus War Stores, &c.	—	150,000,000	+ 150,000,000
Surplus Receipts from certain Trading Services	—	50,000,000	+ 50,000,000
Wireless Licences	5,180,000	5,300,000*	+ 120,000
Crown Lands	960,000	1,000,000	+ 40,000
Receipts from Sundry Loans	11,047,000	15,000,000	+ 3,953,000
Miscellaneous	70,560,000	22,000,000	- 48,560,000
Total Ordinary Revenue	3,284,450,000	3,193,300,000	- 91,150,000
Self-Balancing Revenue :			
Post Office Revenue... ..	115,500,000	120,900,000	+ 5,400,000
Income Tax deducted from Excess Profits Tax, Post-war refunds	1,253,000	†	- 1,253,000
Total Self-Balancing Revenue	116,753,000	120,900,000	+ 4,147,000

* Excluding the proceeds of the impending increase in the charge for the licence to receive sound broadcasts and of the new licence to cover both television and sound reception. The date of the introduction of these changes will be announced later.

† Receipts under this head depend upon the amount of Excess Profits Tax, Post-war refunds paid out during the year, for which reliable estimates are not available.

TABLE IX.—PROPOSED CHANGES IN TAXATION.

INLAND REVENUE.

INCOME TAX.

It is proposed to increase the earned income relief to $\frac{1}{8}$ th, subject to a maximum allowance of tax on £150. The increase is to operate for the whole of the year but effect will not be given to it until the second half of the year.

It is proposed to increase the allowance in respect of wife's earned income from a maximum of £80 to a maximum of £110.

It is proposed to allow as a deduction for Income Tax purposes all contributions paid by employees and self-employed persons under the provisions of the National Insurance Bill and to treat as income all benefits of an income nature paid under the provisions of that Bill.

It is proposed to grant an allowance to a trader in computing his profits for income tax purposes in respect of contributions of a capital nature to technical colleges for technical education related to his trade.

SURTAX.

It is proposed that payments made under certain settlements shall be treated as the income of the settlor for Surtax purposes.

EXCESS PROFITS TAX.

It is proposed that the Excess Profits Tax shall terminate at the 31st December, 1946.

It is proposed to make special provision for relating back certain expenditure incurred after the termination of the tax.

ESTATE DUTY.

It is proposed to exempt from Estate Duty all estates not exceeding £2,000 in net value and to substitute a new scale of duty in the case of estates exceeding that sum. A table showing the existing rates of Estate Duty and those now proposed appears on page 24. Under the existing law, gifts *inter vivos* made within three years of the death, or one year in the case of charities, are liable to Estate Duty. It is proposed to extend these periods to five years and two years respectively.

It is proposed that these changes in the Estate Duty shall come into effect in the case of deaths on or after the 10th April, 1946.

STAMP DUTIES.

For Stamp Duty purposes, it is proposed to treat units or shares in unit trusts as if they were stock, and Stamp Duty will be charged accordingly on transfers or releases of such units, on contract notes in respect of the sale of such units, and on bearer certificates for such units.

It is proposed also to charge Stamp Duty at the rate appropriate to a settlement on all property brought into a unit trust.

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

CUSTOMS AND EXCISE.

CUSTOMS.

Cocoa (Theobromine).—It is proposed to free from duty, by the grant of a drawback, certain cocoa materials used for the production in this country of theobromine; it follows that the existing title to drawback of cocoa duty on the exportation of theobromine should be withdrawn.

Coffee and Chicory Extracts and Essences.—It is proposed to repeal the existing revenue prohibition under the general Customs law on the importation of preparations consisting of, or including, extracts, essences or other concentrations of coffee or chicory, and to substitute a duty of 9*d.* a lb. on the dry weight (7½*d.* a lb. in the case of Empire products).

Imported legacies, etc.—It is proposed to grant relief from Customs duty and Purchase Tax on the importation of chattels which were owned and used personally by a deceased person and which, under his will or on his intestacy, pass to a person resident in the United Kingdom.

EXCISE.

Entertainments.—It is proposed that the following kinds of entertainment, viz., menageries or any games or sports other than the racing or trial of speed of animals, vehicles, vessels or aircraft, which are at present liable to the full rates of duty set out in Part II of the Fifth Schedule to the Finance Act, 1943, shall be liable to the reduced rates of duty set out in Part I of that Schedule. This change is to apply to such entertainments held on or after the 5th May, 1946.

It is also proposed to modify the statutory conditions governing the exemption from duty of certain entertainments provided for partly educational purposes.

Liquor Licences (Passenger Aircraft).—It is proposed to make provision for the issue of licences, on payment of an Excise duty of £1, to be taken out annually by the owner of a passenger aircraft or his agent, authorising the sale of intoxicating liquor and tobacco to passengers in the aircraft.

Purchase Tax.—It is proposed to grant relief from tax in respect of certain classes of goods, as follows:—

Goods to be exempted—

- (a) Utility upholstered mattresses with interior springs.
- (b) The following articles of a kind used in the preparation or serving of food or drink (but not including goldsmiths' and silversmiths' wares)—
 - Articles of china, porcelain, earthenware, stoneware or other pottery-ware.
 - Glassware, not being cut glass.
 - Hollow-ware of iron or steel (whether enamelled or not), aluminium, magnesium, copper or brass.
 - Articles of celluloid, bakelite or other plastic material derived from cellulose, casein, papier mâché or synthetic resin.

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

- (c) Cupboards, dressers, draining boards and similar articles designed for use in kitchens.
- (d) Electric kettles and other cooking utensils incorporating heating elements (but not including goldsmiths' and silversmiths' wares).
- (e) Thermal insulation covers designed for domestic water systems.
- (f) Portable lamps of the following descriptions:—
 - Hand lamps designed for operation from electric mains.
 - Head, side and tail lamps designed for use on railways.
 - Signal gantry lamps.
- (g) Accessories for domestic stoves, grates, ranges and fireplaces, of the following descriptions:—
 - Fire bricks and similar articles designed for use as fuel economisers.
 - Trivets and similar articles.
- (h) Epidiascopes.
- (i) Sensitised document base paper, transparent tracing paper base and tracing cloth.
- (j) Clocks designed for use as public clocks with dials not less than two feet in diameter or with dials having a diagonal measurement of two feet six inches or more.
- (k) Typewriters, dictaphones, calculating machines and other office machinery. Cash registers.

National price-controlled blankets, which are about to be brought into the Utility scheme, will then also be exempt from tax. The articles included under heading (b)—except hollow-ware of magnesium or brass—are at present chargeable at $16\frac{2}{3}$ per cent., epidiascopes at 100 per cent., and the other articles included above at $33\frac{1}{3}$ per cent. of the wholesale value.

Goods on which the rate is to be reduced to $16\frac{2}{3}$ per cent. of the wholesale value—

- (a) Vacuum flasks and vacuum jars, being flasks and jars of a kind used for domestic purposes (but not including goldsmiths' and silversmiths' wares).
- (b) Lawn mowers and garden rollers.

These articles are at present chargeable with tax at the rate of $33\frac{1}{3}$ per cent

Goods on which the rate is to be reduced to $33\frac{1}{3}$ per cent. of the wholesale value—

- (a) Walking sticks and canes, being sticks and canes which, except for the ferrules, are wholly of wood.
- (b) Hair waving and hair drying machines.
- (c) Garden furniture (but not including garden ornaments).
- (d) Trunks, bags, wallets, jewel cases, pouches, purses, suitcases and similar receptacles, being articles of leather, hide or skin, designed for use solely for the purposes of any trade, profession, employment or vocation and unsuitable for use for other purposes.

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

(e) Photographic cameras. Photographic enlargers. Projectors for sub-standard film or for slides. Lenses and other parts of, and accessories to, such cameras, enlargers or projectors. Unexposed sensitised photographic paper, cloth, plates and film.

(f) Musical instruments, including gramophones, player pianos and other similar instruments, and accessories to, and parts of, musical instruments. Gramophone records. Player piano records. Radio gramophones.

These changes affect articles at present chargeable with tax at the rate of 100 per cent.

The above exemptions and reductions of Purchase Tax are proposed to come into effect as regards goods delivered by registered manufacturers and wholesalers and importations by unregistered persons from the 10th April, 1946.

It is proposed to remedy certain defects in the legal machinery for collecting the tax which enable some goods to escape liability. It is also intended to introduce a provision relieving from Purchase Tax motor cars bought in this country by visitors from abroad and exported when the purchasers leave the country.

TABLE X.—ESTIMATED EFFECT OF CHANGES IN TAXATION.

	Estimate for 1946-47.	Estimate for a Full Year.
INLAND REVENUE—*	£	£
Income Tax—		
Increase in the Earned Income Relief to $\frac{1}{8}$ th, subject to a maximum allow- ance of tax on £150	— 30,000,000	— 33,000,000
Increase in wife's earned income relief to £110	— 4,000,000	— 4,500,000
Allowance of employees' contributions under the National Insurance Bill ...	†	— 40,000,000
Treatment of benefits of an income nature under the National Insurance Bill as income for income tax purposes	‡	‡
Estate Duty—		
Exemption of estates below £2,000 from Estate Duty, and the introduc- tion of a new scale of duty for estates exceeding £2,000	+ 15,000,000	+ 22,000,000
TOTAL INCOME TAX AND ESTATE DUTY ...	— 19,000,000	— 55,500,000

EXCESS PROFITS TAX.

No figure for the cost of terminating the E.P.T. after 31st December, 1946 is included in the above Table. The revenue of the current year will not be affected. In his Budget Speech the Chancellor estimated the ultimate cost of repeal at £75,000,000 after allowing for a fall in the level of excess profits and taking into account the consequential increase in income tax and sur-tax.

* The cost of the changes in the Stamp Duties and other minor changes in the law has been taken into account in computing the yield on the existing basis.

† It is not anticipated that the cost for the current year will be appreciable.

‡ The effect of this change on the revenue of the current year will not be appreciable. The effect in future years will depend on factors which it is not possible to assess precisely.

TABLE X.—ESTIMATED EFFECT OF CHANGES IN TAXATION—*continued.*

	Estimate for 1946-47.	Estimate for a full year.
CUSTOMS AND EXCISE—		
<i>Customs—</i>	£	£
Cocoa (Theobromine)	Negligible	
Coffee and chicory extracts and essences	Negligible	
Imported legacies, &c.	Negligible	
Total Customs	—	—
<i>Excise—</i>		
Entertainments	— 1,000,000	— 1,250,000
Liquor Licences (Passenger Aircraft)...	Negligible	
Purchase Tax (Changes in Rates)* ...	— 12,000,000	— 15,250 000
Total Excise...	— 13,000,000	— 16,500,000
TOTAL CUSTOMS AND EXCISE	— 13,000,000	— 16,500,000
TOTAL INLAND REVENUE AND CUSTOMS AND EXCISE	— 32,000,000	— 72,000,000

* The effect of the proposed changes in the machinery for collecting the tax has been taken into account in computing the yield on the existing basis.

TABLE XI.—INCOME TAX.

Amount of tax and effective rate of tax per pound of income for specimen incomes.

(1) Single Persons—Income all Earned Income.

NOTE.—The Table shows the Tax payable by Single Persons after deduction of the Personal Allowance and Earned Income Relief. The Taxpayer, however, may be entitled to further reliefs which would reduce the tax payable below the amounts shown in the Table.

Income.	Charge for 1945-46.				Proposed Charge 1946-47.			
	Income Tax.	Sur-tax.	Total.	Effective Rate.	Income Tax.	Sur-tax.	Total.	Effective Rate.
£	£ s. d.	£ s. d.	£ s. d.	s. d.	£ s. d.	£ s. d.	£ s. d.	s. d.
110	—	—	—	—	—	—	—	—
120	7 10 0	—	7 10 0	1 3	—	—	—	—
125	10 11 3	—	10 11 3	1 8½	—	—	—	—
130	12 0 6	—	12 0 6	1 10	— 11 3	—	— 11 3	— 1
140	14 19 0	—	14 19 0	2 1½	1 17 6	—	1 17 6	— 3
150	17 17 6	—	17 17 6	2 4½	3 3 9	—	3 3 9	— 5
170	23 14 6	—	23 14 6	2 9½	5 16 3	—	5 16 3	— 8
200	32 10 0	—	32 10 0	3 3	12 0 0	—	12 0 0	1 2½
225	39 16 3	—	39 16 3	3 6½	18 11 3	—	18 11 3	1 8
250	47 2 6	—	47 2 6	3 9	25 2 6	—	25 2 6	2 0
300	66 2 6	—	66 2 6	4 5	42 7 6	—	42 7 6	2 10
350	88 12 6	—	88 12 6	5 1	62 1 3	—	62 1 3	3 6½
400	111 2 6	—	111 2 6	5 6½	81 15 0	—	81 15 0	4 1
500	156 2 6	—	156 2 6	6 3	121 2 6	—	121 2 6	4 10
600	201 2 6	—	201 2 6	6 8½	160 10 0	—	160 10 0	5 4
700	246 2 6	—	246 2 6	7 0½	199 17 6	—	199 17 6	5 8½
800	291 2 6	—	291 2 6	7 3½	239 5 0	—	239 5 0	6 0
900	336 2 6	—	336 2 6	7 5½	278 12 6	—	278 12 6	6 2½
1,000	381 2 6	—	381 2 6	7 7½	318 0 0	—	318 0 0	6 4½
1,250	493 12 6	—	493 12 6	7 11	419 5 0	—	419 5 0	6 8½
1,500	606 2 6	—	606 2 6	8 1	531 15 0	—	531 15 0	7 1
2,000	856 2 6	—	856 2 6	8 6½	756 15 0	—	756 15 0	7 7
2,500	1,106 2 6	50 0 0	1,156 2 6	9 3	981 15 0	50 0 0	1,031 15 0	8 3
3,000	1,356 2 6	106 5 0	1,462 7 6	9 9	1,206 15 0	112 10 0	1,319 5 0	8 9½
4,000	1,856 2 6	268 15 0	2,124 17 6	10 7½	1,656 15 0	287 10 0	1,944 5 0	9 8½
5,000	2,356 2 6	481 5 0	2,837 7 6	11 4	2,106 15 0	512 10 0	2,619 5 0	10 5½
6,000	2,856 2 6	731 5 0	3,587 7 6	11 11½	2,556 15 0	787 10 0	3,344 5 0	11 2
7,000	3,356 2 6	1,018 15 0	4,374 17 6	12 6	3,006 15 0	1,112 10 0	4,119 5 0	11 9
8,000	3,856 2 6	1,306 5 0	5,162 7 6	12 11	3,456 15 0	1,437 10 0	4,894 5 0	12 3
9,000	4,356 2 6	1,656 5 0	6,012 7 6	13 4½	3,906 15 0	1,812 10 0	5,719 5 0	12 8½
10,000	4,856 2 6	2,006 5 0	6,862 7 6	13 8½	4,356 15 0	2,187 10 0	6,544 5 0	13 1
12,000	5,856 2 6	2,831 5 0	8,687 7 6	14 5½	5,256 15 0	3,037 10 0	8,294 5 0	13 10
15,000	7,356 2 6	4,068 15 0	11,424 17 6	15 3	6,606 15 0	4,462 10 0	11,069 5 0	14 9
20,000	9,856 2 6	6,318 15 0	16,174 17 6	16 2	8,856 15 0	6,962 10 0	15,819 5 0	15 10
25,000	12,356 2 6	8,693 15 0	21,049 17 6	16 10	11,106 15 0	9,587 10 0	20,694 5 0	16 6½
30,000	14,856 2 6	11,068 15 0	25,924 17 6	17 3½	13,356 15 0	12,212 10 0	25,569 5 0	17 0½
40,000	19,856 2 6	15,818 15 0	35,674 17 6	17 10	17,856 15 0	17,462 10 0	35,319 5 0	17 8
50,000	24,856 2 6	20,568 15 0	45,424 17 6	18 2	22,356 15 0	22,712 10 0	45,069 5 0	18 0½
100,000	49,856 2 6	44,318 15 0	94,174 17 6	18 10	44,856 15 0	48,962 10 0	93,819 5 0	18 9

TABLE XI.—INCOME TAX—continued.

(2) Married Couples without Children—Income all Earned Income.

NOTE.—The Table shows the Tax payable by Married Couples without Children after deduction of the Married Allowance and Earned Income Relief. The Taxpayer, however, may be entitled to further reliefs which would reduce the tax payable below the amounts shown in the Table.

Income.	Charge for 1945-46.				Proposed Charge for 1946-47.			
	Income Tax.	Sur-tax.	Total.	Effective Rate.	Income Tax.	Sur-tax.	Total.	Effective Rate.
£	£ s. d.	£ s. d.	£ s. d.	s. d.	£ s. d.	£ s. d.	£ s. d.	s. d.
155	—	—	—	—	—	—	—	—
160	1 6 0	—	1 6 0	— 2	—	—	—	—
170	4 4 6	—	4 4 6	— 6	—	—	—	—
180	7 3 0	—	7 3 0	— 9½	—	—	—	—
200	13 0 0	—	13 0 0	1 3½	—	—	—	—
225	20 6 3	—	20 6 3	1 9½	2 10 7	—	2 10 7	— 2½
250	27 12 6	—	27 12 6	2 2½	5 16 3	—	5 16 3	— 5½
300	42 5 0	—	42 5 0	2 10	17 5 0	—	17 5 0	1 2
350	58 12 6	—	58 12 6	3 4	30 11 3	—	30 11 3	1 9
400	81 2 6	—	81 2 6	4 0½	50 5 0	—	50 5 0	2 6
500	126 2 6	—	126 2 6	5 0½	89 12 6	—	89 12 6	3 7
600	171 2 6	—	171 2 6	5 8½	129 0 0	—	129 0 0	4 3½
700	216 2 6	—	216 2 6	6 2	168 7 6	—	168 7 6	4 9½
800	261 2 6	—	261 2 6	6 6½	207 15 0	—	207 15 0	5 2½
900	306 2 6	—	306 2 6	6 9½	247 2 6	—	247 2 6	5 6
1,000	351 2 6	—	351 2 6	7 0½	286 10 0	—	286 10 0	5 9
1,250	463 12 6	—	463 12 6	7 5	387 15 0	—	387 15 0	6 2½
1,500	576 2 6	—	576 2 6	7 8	500 5 0	—	500 5 0	6 8
2,000	826 2 6	—	826 2 6	8 3	725 5 0	—	725 5 0	7 3
2,500	1,076 2 6	50 0 0	1,126 2 6	9 0	950 5 0	50 0 0	1,000 5 0	8 0
3,000	1,326 2 6	106 5 0	1,432 7 6	9 6½	1,175 5 0	112 10 0	1,287 15 0	8 7
4,000	1,826 2 6	268 15 0	2,094 17 6	10 5½	1,625 5 0	287 10 0	1,912 15 0	9 7
5,000	2,326 2 6	481 5 0	2,807 7 6	11 3	2,075 5 0	512 10 0	2,587 15 0	10 4
6,000	2,826 2 6	731 5 0	3,557 7 6	11 10½	2,525 5 0	787 10 0	3,312 15 0	11 0½
7,000	3,326 2 6	1,018 15 0	4,344 17 6	12 5	2,975 5 0	1,112 10 0	4,087 15 0	11 8
8,000	3,826 2 6	1,306 5 0	5,132 7 6	12 10	3,425 5 0	1,437 10 0	4,862 15 0	12 2
9,000	4,326 2 6	1,656 5 0	5,982 7 6	13 3½	3,875 5 0	1,812 10 0	5,687 15 0	12 7½
10,000	4,826 2 6	2,006 5 0	6,832 7 6	13 8	4,325 5 0	2,187 10 0	6,512 15 0	13 0½
12,000	5,826 2 6	2,831 5 0	8,657 7 6	14 5	5,225 5 0	3,037 10 0	8,262 15 0	13 9½
15,000	7,326 2 6	4,068 15 0	11,394 17 6	15 2½	6,575 5 0	4,462 10 0	11,037 15 0	14 8½
20,000	9,826 2 6	6,318 15 0	16,144 17 6	16 1½	8,825 5 0	6,962 10 0	15,787 15 0	15 9½
25,000	12,326 2 6	8,693 15 0	21,019 17 6	16 10	11,075 5 0	9,587 10 0	20,662 15 0	16 6½
30,000	14,826 2 6	11,068 15 0	25,894 17 6	17 3	13,325 5 0	12,212 10 0	25,537 15 0	17 0½
40,000	19,826 2 6	15,818 15 0	35,644 17 6	17 10	17,825 5 0	17,462 10 0	35,287 15 0	17 7½
50,000	24,826 2 6	20,568 15 0	45,394 17 6	18 2	22,325 5 0	22,712 10 0	45,037 15 0	18 0
100,000	49,826 2 6	44,318 15 0	94,144 17 6	18 10	44,825 5 0	48,962 10 0	93,787 15 0	18 9

In addition to the reduction of the tax shown above, a married woman in employment will benefit from the proposed increase in the maximum additional allowance for her earnings from £80 to £110.

TABLE XI.—INCOME TAX—*continued*.

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

NOTE.—The Table shows the Tax payable by Married Couples with one Child after deduction of the Married Allowance and Allowance for one Child and Earned Income Relief. The Taxpayer, however, may be entitled to further reliefs which would reduce the tax payable below the amounts shown in the Table.

Income.	Charge for 1945-46.				Proposed Charge for 1946-47.			
	Income Tax.	Sur-tax.	Total.	Effective Rate.	Income Tax.	Sur-tax.	Total.	Effective Rate.
£ 210	—	—	—	—	—	—	—	—
220	2 12 0	—	2 12 0	— 3	—	—	—	—
225	4 1 3	—	4 1 3	— 4½	—	—	—	—
250	11 7 6	—	11 7 6	— 11	—	—	—	—
300	26 0 0	—	26 0 0	1 9	4 17 6	—	4 17 6	— 4
350	40 12 6	—	40 12 6	2 4	15 7 6	—	15 7 6	— 10½
400	56 2 6	—	56 2 6	2 9½	28 10 0	—	28 10 0	1 5
500	101 2 6	—	101 2 6	4 0½	67 2 6	—	67 2 6	2 8
600	146 2 6	—	146 2 6	4 10½	106 10 0	—	106 10 0	3 6½
700	191 2 6	—	191 2 6	5 5½	145 17 6	—	145 17 6	4 2
800	236 2 6	—	236 2 6	5 11	185 5 0	—	185 5 0	4 7½
900	281 2 6	—	281 2 6	6 3	224 12 6	—	224 12 6	5 0
1,000	326 2 6	—	326 2 6	6 6½	264 0 0	—	264 0 0	5 3½
1,250	438 12 6	—	438 12 6	7 0	365 5 0	—	365 5 0	5 10
1,500	551 2 6	—	551 2 6	7 4	477 15 0	—	477 15 0	6 4½
2,000	801 2 6	—	801 2 6	8 0	702 15 0	—	702 15 0	7 0½
2,500	1,051 2 6	50 0 0	1,101 2 6	8 9½	927 15 0	50 0 0	977 15 0	7 10
3,000	1,301 2 6	106 5 0	1,407 7 6	9 4½	1,152 15 0	112 10 0	1,265 5 0	8 5
4,000	1,801 2 6	268 15 0	2,069 17 6	10 4	1,602 15 0	287 10 0	1,890 5 0	9 5½
5,000	2,301 2 6	481 5 0	2,782 7 6	11 1½	2,052 15 0	512 10 0	2,565 5 0	10 3
6,000	2,801 2 6	731 5 0	3,532 7 6	11 9½	2,502 15 0	787 10 0	3,290 5 0	10 11½
7,000	3,301 2 6	1,018 15 0	4,319 17 6	12 4	2,952 15 0	1,112 10 0	4,065 5 0	11 7½
8,000	3,801 2 6	1,306 5 0	5,107 7 6	12 9	3,402 15 0	1,437 10 0	4,840 5 0	12 1
9,000	4,301 2 6	1,656 5 0	5,957 7 6	13 3	3,852 15 0	1,812 10 0	5,665 5 0	12 7
10,000	4,801 2 6	2,006 5 0	6,807 7 6	13 7½	4,302 15 0	2,187 10 0	6,490 5 0	13 0
12,000	5,801 2 6	2,831 5 0	8,632 7 6	14 4½	5,202 15 0	3,037 10 0	8,240 5 0	13 9
15,000	7,301 2 6	4,068 15 0	11,369 17 6	15 2	6,552 15 0	4,462 10 0	11,015 5 0	14 8
20,000	9,801 2 6	6,318 15 0	16,119 17 6	16 1½	8,802 15 0	6,962 10 0	15,765 5 0	15 9
25,000	12,301 2 6	8,693 15 0	20,994 17 6	16 9½	11,052 15 0	9,587 10 0	20,640 5 0	16 6
30,000	14,801 2 6	11,068 15 0	25,869 17 6	17 3	13,302 15 0	12,212 10 0	25,515 5 0	17 0
40,000	19,801 2 6	15,818 15 0	35,619 17 6	17 9½	17,802 15 0	17,462 10 0	35,265 5 0	17 7½
50,000	24,801 2 6	20,568 15 0	45,369 17 6	18 2	22,302 15 0	22,712 10 0	45,015 5 0	18 0
100,000	49,801 2 6	44,318 15 0	94,119 17 6	18 10	44,802 15 0	48,962 10 0	93,765 5 0	18 9

In addition to the reduction of the tax shown above, a married woman in employment will benefit from the proposed increase in the maximum additional allowance for her earnings from £80 to £110.

TABLE XI.—INCOME TAX—continued.

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

NOTE.—The Table shows the Tax payable by Married Couples with two Children after deduction of the Married Allowance and Allowance for two Children and Earned Income Relief. The Taxpayer, however, may be entitled to further reliefs which would reduce the tax payable below the amounts shown in the Table.

Income.	Charge for 1945-46.				Proposed Charge for 1946-47.			
	Income Tax.	Sur-tax.	Total.	Effective Rate.	Income Tax.	Sur-tax.	Total.	Effective Rate.
£	£ s. d.	£ s. d.	£ s. d.	s. d.	£ s. d.	£ s. d.	£ s. d.	s. d.
265	—	—	—	—	—	—	—	—
270	— 19 6	—	— 19 6	— 1	—	—	—	—
300	9 15 0	—	9 15 0	— 8	—	—	—	—
350	24 7 6	—	24 7 6	1 4½	3 18 9	—	3 18 9	— 2½
400	39 0 0	—	39 0 0	1 11½	13 10 0	—	13 10 0	— 8
500	76 2 6	—	76 2 6	3 0½	44 12 6	—	44 12 6	1 9½
600	121 2 6	—	121 2 6	4 0½	84 0 0	—	84 0 0	2 9½
700	166 2 6	—	166 2 6	4 9	123 7 6	—	123 7 6	3 6½
800	211 2 6	—	211 2 6	5 3½	162 15 0	—	162 15 0	4 1
900	256 2 6	—	256 2 6	5 8½	202 2 6	—	202 2 6	4 6
1,000	301 2 6	—	301 2 6	6 0½	241 10 0	—	241 10 0	4 10
1,250	413 12 6	—	413 12 6	6 7½	342 15 0	—	342 15 0	5 6
1,500	526 2 6	—	526 2 6	7 0	455 5 0	—	455 5 0	6 1
2,000	776 2 6	—	776 2 6	7 9	680 5 0	—	680 5 0	6 9½
2,500	1,026 2 6	50 0 0	1,076 2 6	8 7½	905 5 0	50 0 0	955 5 0	7 7½
3,000	1,276 2 6	106 5 0	1,382 7 6	9 2½	1,130 5 0	112 10 0	1,242 15 0	8 3½
4,000	1,776 2 6	268 15 0	2,044 17 6	10 2½	1,580 5 0	287 10 0	1,867 15 0	9 4
5,000	2,276 2 6	481 5 0	2,757 7 6	11 0½	2,030 5 0	512 10 0	2,542 15 0	10 2
6,000	2,776 2 6	731 5 0	3,507 7 6	11 8½	2,480 5 0	787 10 0	3,267 15 0	10 10½
7,000	3,276 2 6	1,018 15 0	4,294 17 6	12 3½	2,930 5 0	1,112 10 0	4,042 15 0	11 6½
8,000	3,776 2 6	1,306 5 0	5,082 7 6	12 8½	3,380 5 0	1,437 10 0	4,817 15 0	12 0½
9,000	4,276 2 6	1,656 5 0	5,932 7 6	13 2	3,830 5 0	1,812 10 0	5,642 15 0	12 6½
10,000	4,776 2 6	2,006 5 0	6,782 7 6	13 7	4,280 5 0	2,187 10 0	6,467 15 0	12 11
12,000	5,776 2 6	2,831 5 0	8,607 7 6	14 4	5,180 5 0	3,037 10 0	8,217 15 0	13 8½
15,000	7,276 2 6	4,068 15 0	11,344 17 6	15 1½	6,530 5 0	4,462 10 0	10,992 15 0	14 8
20,000	9,776 2 6	6,318 15 0	16,094 17 6	16 1	8,780 5 0	6,962 10 0	15,742 15 0	15 9
25,000	12,276 2 6	8,693 15 0	20,969 17 6	16 9½	11,030 5 0	9,587 10 0	20,617 15 0	16 6
30,000	14,776 2 6	11,068 15 0	25,844 17 6	17 3	13,280 5 0	12,212 10 0	25,492 15 0	17 0
40,000	19,776 2 6	15,818 15 0	35,594 17 6	17 9½	17,780 5 0	17,462 10 0	35,242 15 0	17 7½
50,000	24,776 2 6	20,568 15 0	45,344 17 6	18 1½	22,280 5 0	22,712 10 0	44,992 15 0	18 0
100,000	49,776 2 6	44,318 15 0	94,094 17 6	18 10	44,780 5 0	48,962 10 0	93,742 15 0	18 9

In addition to the reduction of the tax shown above, a married woman in employment will benefit from the proposed increase in the maximum additional allowance for her earnings from £80 to £110.

TABLE XI.—INCOME TAX—continued.

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

NOTE.—The Table shows the Tax payable by Married Couples with three Children after deduction of the Married Allowance and Allowance for three Children and Earned Income Relief. The Taxpayer, however, may be entitled to further reliefs which would reduce the tax payable below the amounts shown in the Table.

Income.	Charge for 1945-46.				Proposed Charge for 1946-47.			
	Income Tax.	Sur-tax.	Total.	Effective Rate.	Income Tax.	Sur-tax.	Total.	Effective Rate.
£ 320	—	—	—	—	—	—	—	—
325	- 16 3	—	- 16 3	- 0½	—	—	—	—
350	8 2 6	—	8 2 6	- 5½	—	—	—	—
400	22 15 0	—	22 15 0	1 1½	3 0 0	—	3 0 0	- 2
500	52 0 0	—	52 0 0	2 1	24 15 0	—	24 15 0	1 0
600	96 2 6	—	96 2 6	3 2½	61 10 0	—	61 10 0	2 0½
700	141 2 6	—	141 2 6	4 0½	100 17 6	—	100 17 6	2 10½
800	186 2 6	—	186 2 6	4 8	140 5 0	—	140 5 0	3 6
900	231 2 6	—	231 2 6	5 1½	179 12 6	—	179 12 6	4 0
1,000	276 2 6	—	276 2 6	5 6½	219 0 0	—	219 0 0	4 4½
1,250	388 12 6	—	388 12 6	6 2½	320 5 0	—	320 5 0	5 1½
1,500	501 2 6	—	501 2 6	6 8	432 15 0	—	432 15 0	5 9
2,000	751 2 6	—	751 2 6	7 6	657 15 0	—	657 15 0	6 7
2,500	1,001 2 6	50 0 0	1,051 2 6	8 5	882 15 0	50 0 0	932 15 0	7 5½
3,000	1,251 2 6	106 5 0	1,357 7 6	9 0½	1,107 15 0	112 10 0	1,220 5 0	8 1½
4,000	1,751 2 6	268 15 0	2,019 17 6	10 1	1,557 15 0	287 10 0	1,845 5 0	9 2½
5,000	2,251 2 6	481 5 0	2,732 7 6	10 11	2,007 15 0	512 10 0	2,520 5 0	10 1
6,000	2,751 2 6	731 5 0	3,482 7 6	11 7½	2,457 15 0	787 10 0	3,245 5 0	10 10
7,000	3,251 2 6	1,018 15 0	4,269 17 6	12 2½	2,907 15 0	1,112 10 0	4,020 5 0	11 6
8,000	3,751 2 6	1,306 5 0	5,057 7 6	12 7½	3,357 15 0	1,437 10 0	4,795 5 0	12 0
9,000	4,251 2 6	1,656 5 0	5,907 7 6	13 1½	3,807 15 0	1,812 10 0	5,620 5 0	12 6
10,000	4,751 2 6	2,006 5 0	6,757 7 6	13 6	4,257 15 0	2,187 10 0	6,445 5 0	12 10½
12,000	5,751 2 6	2,831 5 0	8,582 7 6	14 3½	5,157 15 0	3,037 10 0	8,195 5 0	13 8
15,000	7,251 2 6	4,068 15 0	11,319 17 6	15 1	6,507 15 0	4,462 10 0	10,970 5 0	14 7½
20,000	9,751 2 6	6,318 15 0	16,069 17 6	16 1	8,757 15 0	6,962 10 0	15,720 5 0	15 8½
25,000	12,251 2 6	8,693 15 0	20,944 17 6	16 9	11,007 15 0	9,587 10 0	20,595 5 0	16 5½
30,000	14,751 2 6	11,068 15 0	25,819 17 6	17 2½	13,257 15 0	12,212 10 0	25,470 5 0	17 0
40,000	19,751 2 6	15,818 15 0	35,569 17 6	17 9½	17,757 15 0	17,462 10 0	35,220 5 0	17 7½
50,000	24,751 2 6	20,568 15 0	45,319 17 6	18 1½	22,257 15 0	22,712 10 0	44,970 5 0	18 0
100,000	49,751 2 6	44,318 15 0	94,069 17 6	18 10	44,757 15 0	48,962 10 0	93,720 5 0	18 9

In addition to the reduction of the tax shown above, a married woman in employment will benefit from the proposed increase in the maximum additional allowance for her earnings from £80 to £110.

TABLE XII SHOWING THE EXISTING RATES OF ESTATE DUTY AND THE RATES AS NOW PROPOSED.

Present Scale.			Scale as proposed.		
Estate up to £300 gross value ... 30/-			Nil.		
Estate up to £500 gross value ... 50/-					
Net capital value of total estate.		Rate per cent. of Duty.	Net capital value of total estate.		Rate per cent. of Duty.
Exceeding £	Not exceeding £		Exceeding £	Not exceeding £	
100	500	1	—	2,000	Nil
500	1,000	2			
1,000	5,000	3	2,000	3,000	1
			3,000	5,000	2
5,000	10,000	4	5,000	7,500	3
			7,500	10,000	4
10,000	12,500	6	10,000	12,500	6
12,500	15,000	7.2	12,500	15,000	8
15,000	18,000	8.4	15,000	20,000	10
18,000	21,000	9.6			
21,000	25,000	10.8	20,000	25,000	12
25,000	30,000	12	25,000	30,000	14
30,000	35,000	13.2	30,000	35,000	16
35,000	40,000	14.4	35,000	40,000	18
40,000	45,000	15.6	40,000	45,000	20
45,000	50,000	16.8	45,000	50,000	22
50,000	55,000	19.5	50,000	60,000	24
55,000	65,000	20.8			
65,000	75,000	22.1	60,000	75,000	27
75,000	85,000	23.4	75,000	100,000	30
85,000	100,000	24.7			
100,000	120,000	26.0	100,000	150,000	35
120,000	150,000	28.6			
150,000	200,000	31.2	150,000	200,000	40
200,000	250,000	33.8	200,000	250,000	45
250,000	300,000	36.4	250,000	300,000	50
300,000	400,000	39	300,000	500,000	55
400,000	500,000	41.6			
500,000	600,000	44.2	500,000	750,000	60
600,000	800,000	46.8			
800,000	1,000,000	49.4	750,000	1,000,000	65
1,000,000	1,250,000	52	1,000,000	2,000,000	70
1,250,000	1,500,000	54.6			
1,500,000	2,000,000	58.5			
2,000,000		65	2,000,000		75

TABLE XIII.—CUSTOMS AND EXCISE REVENUE under the several heads of Duty.

Head of Duty.	1945-46.		1946-47. Estimated Receipts.
	Budget Estimate.	Receipts (provisional).	
	£	£	£
Spirits C	16,900,000	16,905,000	22,100,000
E	53,100,000	51,236,000	54,900,000
Total Spirits	70,000,000	68,141,000	77,000,000
Beer C	11,500,000	10,811,000	11,300,000
E	288,500,000	295,302,000	300,700,000
Total Beer	300,000,000	306,113,000	312,000,000
Wine C	6,000,000	5,001,000	10,000,000
British Wine E	2,500,000	2,161,000	3,000,000
Table Waters C	—	—	—
E	150,000	146,000	150,000
Total Table Waters	150,000	146,000	150,000
Tea C	10,500,000	9,644,000	11,000,000
Cocoa C	1,300,000	976,000	1,500,000
Coffee and Chicory C	400,000	553,000	450,000
Sugar, Molasses, Glucose and Saccharin C	24,600,000	19,582,000	18,700,000
E	10,900,000	10,421,000	11,300,000
Total Sugar, &c.	35,500,000	30,003,000	30,000,000
Dried Fruits C	1,300,000	857,000	1,000,000
Tobacco C	400,000,000	416,279,000	425,000,000
E	—	1,000	—
Total Tobacco	400,000,000	416,280,000	425,000,000
Matches and Mechanical Lighters ... C	1,000,000	375,000	500,000
E	6,500,000	5,228,000	6,500,000
Total Matches, &c.	7,500,000	5,603,000	7,000,000
Silk and Artificial Silk C	1,250,000	1,954,000	2,000,000
E	1,750,000	1,257,000	2,000,000
Total Silk, &c.... ..	3,000,000	3,211,000	4,000,000
Oil C	72,000,000	65,602,000	60,000,000
Power Alcohol E	—	1,000	10,000
Total Oil, &c.	72,000,000	65,603,000	60,010,000

TABLE XIII.—CUSTOMS AND EXCISE REVENUE under the several heads of Duty—*continued*.

Head of Duty.	1945-46.		1946-47. Estimated Receipts.	
	Budget Estimate.	Receipts (provisional).		
Entertainments	E	£ 47,500,000	£ 51,529,000	£ 50,000,000
Liquor Licences:—				
Duties... ..	E	4,500,000	4,719,000	4,625,000
Monopoly Values	E	150,000	146,000	175,000
Other Licences... ..	E	350,000	374,000	400,000
Playing Cards; Coffee Substitutes ...	E	40,000	28,000	50,000
Hops	C	10,000	16,000	25,000
Key Industry Duty	C	1,500,000	508,000	750,000
Duties under the Import Duties Act, 1932	C	32,000,000	15,655,000	22,000,000
Ottawa Duties	C	4,000,000	2,289,000	3,500,000
Beef and Veal	C	4,700,000	2,240,000	5,000,000
Purchase Tax	E	124,000,000*	118,115,000	158,000,000
Other Articles and Deposits	{ C E	40,000 60,000	677,000 13,000	175,000 190,000
Total Other Articles, &c.... ..		100,000	690,000	365,000
Difference between Payments into Ex- chequer and Actual Receipts	{ C E	— —	— 82,000 + 123,000	— —
Total Difference		—	+ 41,000	—
Total Revenue	Customs ... Excise ...	589,000,000 540,000,000*	569,842,000 540,800,000	595,000,000 592,000,000
TOTAL		1,129,000,000*	1,110,642,000	1,187,000,000

* Allowing for the October 1945 Budget changes.

B.—SELF-BALANCING REVENUE AND EXPENDITURE.

	£
Post Office expenditure corresponding to Revenue (including Pensions £9,550,000)	120,900,000
Excess Profits Tax, Post-war refunds (Part deducted for tax)... ..	—†
Total	<u>120,900,000</u>

† Receipts under this head depend upon the amount of Excess Profits Tax, post-war refunds paid out during the year, for which reliable estimates are not available.