

SUPPLEMENTARY FINANCIAL STATEMENT (1947-48)
(NOVEMBER 1947)

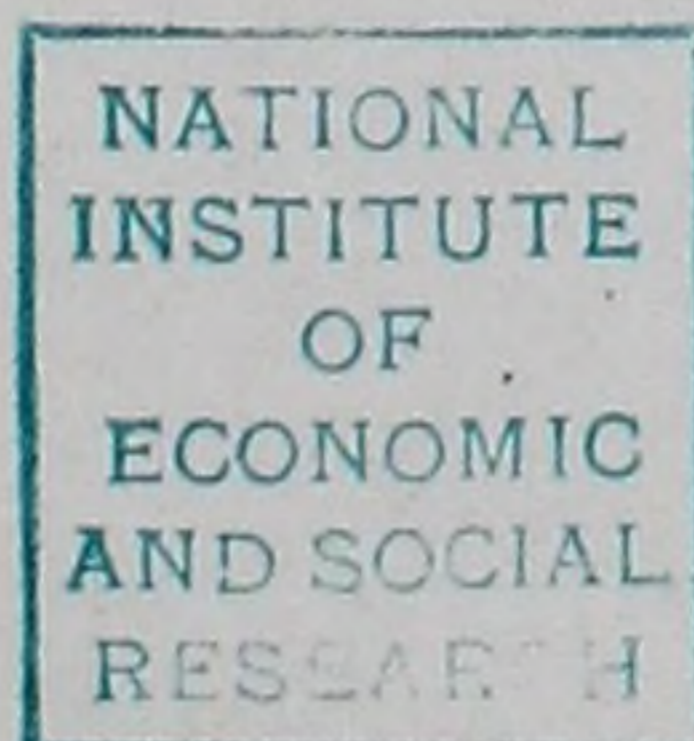
RETURN to an Order of the Honourable The House of Commons,
dated 12 November, 1947:—*for*

STATEMENT OF CHANGES IN TAXATION AS PROPOSED
BY THE CHANCELLOR OF THE EXCHEQUER

Treasury Chambers,
12 November, 1947 } W. GLENVIL HALL

(Mr. Glenvil Hall)

Ordered by The House of Commons to be Printed
12 November, 1947



LONDON
HIS MAJESTY'S STATIONERY OFFICE

TWOPENCE NET

PROPOSED CHANGES IN TAXATION—*continued*CUSTOMS AND EXCISE—*continued*CUSTOMS—*continued*

	Existing Duties		Proposed Duties	
	Full Rate	Preferential Rate	Full Rate	Preferential Rate
	£ s. d. per proof gallon	£ s. d. per proof gallon	£ s. d. per proof gallon	£ s. d. per proof gallon
<i>Spirits—</i>				
Brandy or Rum	8 0 4	7 17 10	9 13 8	9 11 2
Imitation Rum or Geneva ...	8 0 5	7 17 11	9 13 9	9 11 3
Unsweetened spirits other than the above	8 0 5	7 17 11	9 13 9	9 11 3
	per liquid gallon	per liquid gallon	per liquid gallon	per liquid gallon
Liqueurs, cordials, mixtures and other preparations in bottle, entered in such a manner as to indicate that the strength is not to be tested	10 17 2	10 13 10	13 2 2	12 18 10
	per proof gallon	per proof gallon	per proof gallon	per proof gallon
Other spirits, including naphtha and methylic alcohol, purified so as to be potable, and mixtures and preparations containing spirits	8 0 5	7 17 11	9 13 9	9 11 3

No change is proposed as regards the additional duties payable on immature spirits and on certain spirits imported in bottle, or as regards the rates on perfumed spirits.

<i>Wine—</i>				
Not exceeding 25° of proof spirit ...	0 17 0	...	1 2 0	...
Exceeding 25° and not exceeding 42°	1 14 0	...	2 4 0	...
Not exceeding 27° of proof spirit	0 15 0	...	1 0 0
Exceeding 27° and not exceeding 42°	1 10 0	...	2 0 0
For every degree or fraction of a degree over 42°, an additional duty	0 2 10	0 2 6	0 3 8	0 3 4

No change is proposed in the additional duties on sparkling wine and on still wine in bottle.

PROPOSED CHANGES IN TAXATION—*continued*CUSTOMS AND EXCISE—*continued*

EXCISE

It is proposed to raise the Excise duties on beer, spirits and sweets (British wines, etc.), in each case from 13th November, 1947. The proposed duties, compared with the existing duties, will be as follows:—

	Existing Duties	Proposed Duties
	<i>£ s. d.</i>	<i>£ s. d.</i>
<i>Beer</i> (other than black beer, etc.)—	per 36 gallons	per 36 gallons
Up to 1027°	7 0 7½	7 19 9
Additional for every degree over 1027° ...	0 5 2½	0 5 11
<i>Spirits</i>	per proof gallon 7 17 6	per proof gallon 9 10 10
No change is proposed as regards the additional duties payable on immature spirits.		
<i>Sweets</i> (British wines, etc.)—	per gallon	per gallon
Not exceeding 27° of proof spirit	0 14 6	0 19 6
Exceeding 27° of proof spirit	0 15 6	1 4 6
Additional on sparkling sweets		No change

PROPOSED CHANGES IN TAXATION—*continued*CUSTOMS AND EXCISE—*continued*EXCISE—*continued*

Purchase Tax.—It is proposed to increase the rates of Purchase Tax (except as regards mechanically propelled road vehicles and mechanically propelled cycles) as follows :—

Existing Rates	Proposed Rates
per cent. of wholesale value	per cent. of wholesale value
16 $\frac{2}{3}$	33 $\frac{1}{3}$
33 $\frac{1}{3}$	50
66 $\frac{2}{3}$	75
100	125

These changes will come into operation as regards goods delivered by registered manufacturers and wholesalers, or imported by unregistered persons, from 13th November, 1947.

Pool Betting.—It is proposed that a duty of 10 per cent. of the stake money paid shall be charged, from 4th January, 1948, on all pool betting (including coupon and other similar betting and totalisator betting), except betting by means of a totalisator set up on an approved horse racecourse by or under the authority of the Racecourse Betting Control Board.

ESTIMATED EFFECT OF CHANGES IN TAXATION

	Estimate for 1947-48	Estimate for a Full Year
	£	£
INLAND REVENUE—		
<i>Income Tax and Profits Tax</i>		
Restriction of deduction in computing profits of expenditure on certain advertisements to one-half of the expenditure incurred	Nil	+ 10,000,000
<i>Income Tax, Sur-Tax, E.P.T. and Profits Tax</i>		
Charge of Interest on arrears of tax ...	*	*
<i>Profits Tax</i>		
Increase in the rate of Profits Tax to 25% on that part of the profit which is distributed and to 10% on that part of the profit which is not distributed	+ 4,000,000	+ 85,000,000
Loss of Income Tax consequent on increase in Profits Tax	— 2,000,000	— 38,000,000
TOTAL INLAND REVENUE ...	+ 2,000,000	+ 57,000,000
CUSTOMS AND EXCISE—		
<i>Customs</i>		
Beer... ..	+ 500,000	+ 1,500,000
Spirits	+ 3,000,000	+ 7,250,000
Wines	+ 2,000,000	+ 5,250,000
Total Customs	+ 5,500,000	+ 14,000,000
<i>Excise</i>		
Beer... ..	+ 9,500,000	+ 33,500,000
Spirits	+ 2,500,000	+ 7,250,000
British Wines, etc.	+ 500,000	+ 1,250,000
Purchase Tax	+ 10,000,000	+ 80,000,000
Pool Betting (including Pool Betting Coupons)... ..	+ 3,000,000	+ 15,000,000
Total Excise	+ 25,500,000	+ 137,000,000
TOTAL CUSTOMS AND EXCISE...	+ 31,000,000	+ 151,000,000
TOTAL INLAND REVENUE AND CUSTOMS AND EXCISE	+ 33,000,000	+ 208,000,000

* It is difficult to make any close estimate either of the yield of this new Interest charge or of its effectiveness in stimulating quicker payment. Accelerated collection in 1947-48 may yield £15 millions or more. Including this increase, the total net yield in 1947-48 of the proposed changes is estimated at **£48 millions**.

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