

**ELIZABETH II**



**1970 CHAPTER 54**

An Act to fix the standard rate of income tax for the year 1971–72 and make an alteration in the marginal relief for persons with small incomes; and to reduce the rate of corporation tax for the financial year 1969.

[17th December 1970]

Most Gracious Sovereign,

**W**<sup>E</sup>, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom in Parliament assembled, towards raising the necessary supplies to defray Your Majesty's public expenses, and making an addition to the public revenue, have freely and voluntarily resolved to make the following provisions; and do therefore most humbly beseech Your Majesty that it may be enacted, and be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1. Income tax for the year 1971–72 shall be charged at the standard rate of 38·75 per cent. and, in the case of an individual whose total income exceeds £2,500, at such higher rates in respect of the excess over £2,000 as Parliament may hereafter determine. Charge of income tax for 1971–72.

2. For the year 1971–72 and subsequent years of assessment the percentages governing marginal relief under sections 6(2) and 7(b) of the Taxes Act, as amended by section 14(1) of the Finance Act 1970, shall be reduced by substituting— Alteration of marginal relief for persons with small incomes.

(a) for the reference in section 6(2) to 55 per cent. a reference to 52·5 per cent.; and 1970 c. 24.

(b) for the reference in section 7(b) to 50 per cent. a reference to 47·5 per cent.

Corporation  
tax for  
financial  
year 1969.  
1970 c. 24.

3.—(1) The Corporation Tax Acts shall have effect, subject to the following provisions of this section, as if in section 13 of the Finance Act 1970 (charge of corporation tax for financial year 1969) 42·5 per cent. were substituted for 45 per cent.; and such adjustments shall be made, by discharge or repayment of tax charged by virtue of that section, as may be required to give effect to this subsection.

(2) In determining the distributable profits of a company for the purposes of the provisions relating to shortfall of Chapter III of Part XI of the Taxes Act the amount of corporation tax to be borne by a company shall be determined as if subsection (1) of this section had not been enacted.

(3) Where the affairs of a company are completely wound up in the financial year 1970 and before the passing of this Act, subsection (1) of this section shall not affect the rate of tax charged under section 245 of the Taxes Act (tax on company in liquidation) on the company's profits arising in the financial year 1970 or charged, whether under that section or otherwise, on the company's profits arising in the financial year 1969, unless the liquidator, by notice in writing given to the inspector before the end of March 1972, elects that that subsection shall apply to that tax; and if he so elects and the date on which the affairs of the company are completely wound up is earlier than 29th May 1970, tax shall be charged as if subsection (3) of that section and the reference to it in subsection (2) thereof were omitted.

Citation,  
construction  
and  
interpretation.

4.—(1) This Act may be cited as the Income and Corporation Taxes (No. 2) Act 1970.

(2) Sections 1 and 2 of this Act shall be construed as one with the Income Tax Acts and section 3 of this Act shall be construed as one with the Corporation Tax Acts.

1970 c. 10.

(3) In this Act "the Taxes Act" means the Income and Corporation Taxes Act 1970.

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