INCOME TAX

DOUBLE TAXATION RELIEF

The Double Taxation Relief (Taxes on Income) (General) (No. 2) Regulations, 1950

1950 No. 1517

Made - - - - 11*th September,* 1950
Coming into Operation 1*st November,* 1950

The Commissioners of Inland Revenue in exercise of the powers conferred upon them by Section 53 of the Finance (No. 2) Act, 1945(a), hereby make the following Regulations:—

1. These Regulations may be cited as the Double Taxation Relief (Taxes on Income) (General) (No. 2) Regulations, 1950, and shall come into operation on the first day of November, 1950.

2. In these Regulations "the principal Regulations" means the Double Taxation Relief (Taxes on Income) (General) Regulations, 1946(b). Other expressions have the same meaning as in the principal Regulations.

3. In relation to any dividend payable on or after the first day of November, 1950, the principal Regulations shall have effect subject to the provisions of these Regulations:

Provided that these Regulations shall not apply for the purpose of arriving at the rate of double taxation relief for any year of assessment which ended on or before the fifth day of April, 1950.

4. In sub-paragraph (*a*) of paragraph (2) of Regulation 2 of the principal Regulations the words "as computed for income tax purposes" shall be omitted and at the end of that Regulation the following paragraph shall be added:

"(7) For the purposes of this Regulation the total income of a company for any year of assessment shall be taken as the total income of the company as computed for income tax purposes for that year, after the deduction of the amount of any income the income tax upon which the company—

(*a*) is entitled, otherwise than under Rule 20 of the General Rules, to charge against any other person, or

(*b*) would be so entitled so to charge but for a notice given under paragraph (2), or arrangements having effect under paragraph (8), of Regulation 3 of these Regulations."

By Order of the Commissioners of Inland Revenue.

E. W. Verity,
Secretary.

11th September, 1950.

(a) 9 & 10 Geo. 6. c. 13. (b) S.R. & O. 1946 (No. 466) I, p. 867.

EXPLANATORY NOTE

(This Note is not part of the Regulations, but is intended to indicate their general purport.)

Section 52 of the Finance (No. 2) Act, 1945, provides that a company which has received double taxation relief may deduct income tax at the standard rate from the dividends, but no relief or repayment in respect of the tax so deducted is to be allowed at a rate exceeding the " net United Kingdom rate ". Under the Double Taxation Relief (Taxes on Income) (General) Regulations, 1946 (S.R. & O. 1946, No. 466) the " net United Kingdom rate " is calculated by subtracting the rate of double taxation relief from the standard rate of income tax, and the rate of double taxation relief is taken as the amount of relief divided by the total income of the company.

These Regulations amend the earlier Regulations so as to ensure that, in arriving at the total income of the company, a deduction shall be made in respect of any interest or other annual sums paid by the company from which income tax is deductible, or from which income tax would be deductible but for an exemption under a double taxation agreement.

The Double Taxation Relief (Taxes on Income) (British Solomon Islands Protectorate) Order, 1950

1950 No. 748

Made - - - - 10*th May*, 1950

At the Court at Buckingham Palace, the 10th day of May, 1950

Present,

The King's Most Excellent Majesty in Council

Whereas it is provided by subsection (1) of section fifty-one of the Finance (No. 2) Act, 1945(a), that if His Majesty by Order in Council declares that arrangements specified in the Order have been made with the Government of any territory outside the United Kingdom with a view to affording relief from double taxation in relation to income tax or profits tax and any taxes of a similar character imposed by the laws of that territory, and that it is expedient that those arrangements should have effect, the arrangements shall have effect to the extent specified in that subsection:

And Whereas under certain other provisions of Part V of the said Act certain other consequences ensue on the making of any such Order:

And Whereas a draft of this Order was laid before the Commons House of Parliament in accordance with the provisions of subsection (2) of section fifty-six of the said Act and an Address has been presented to His Majesty by that House praying that an Order may be made in the terms of this Order:

(a) 9 & 10 Geo. 6. c. 13.