NOTIFICATIONS OF CHANGES IN TAX ADJUSTMENTS

Addendum

UNITED KINGDOM

This notification is made pursuant to paragraph 40 of L/3464 - report by the Working Party on Border Tax Adjustments.

In a statement to the House of Commons on 19 July 1971, the Chancellor of the Exchequer announced a reduction of two elevenths in all rates of purchase tax. The change came into effect on 20 July.

The former and current rates of purchase tax are as follows:

<table>
<thead>
<tr>
<th>Former rates</th>
<th>Current rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 3/4</td>
<td>11 1/4</td>
</tr>
<tr>
<td>22</td>
<td>18</td>
</tr>
<tr>
<td>36 2/3</td>
<td>30</td>
</tr>
<tr>
<td>55</td>
<td>45</td>
</tr>
</tbody>
</table>

This change was given legislative effect by the Purchase Tax (No. 4) Order 1971, a copy of which is annexed.

In document L/3518/Add.3 of July 1971, two changes announced by the Chancellor of the Exchequer in his Budget statement on 30 March 1971 were notified. The first of these changes, which relates to remission of purchase tax on exported vehicles, has been given legislative effect by section 4 of the Finance Act 1971, a copy of which is deposited with the secretariat.
ANNEX

1971 No. 1145

PURCHASE TAX

The Purchase Tax (No. 4) Order 1971

Made 19 July 1971
Laid before the House of Commons 19 July 1971
Coming into operation 20 July 1971

The Lords Commissioners of Her Majesty's Treasury, by virtue of the powers conferred on them by section 2(3) of the Purchase Tax Act 1963(a), and of all other powers enabling them in that behalf, hereby make the following Order:

1. (1) This Order may be cited as the Purchase Tax (No. 4) Order 1971.

(2) The Interpretation Act 1889(b) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

(3) This Order shall come into operation on 20 July 1971.

2. Part I of Schedule 1 to the Purchase Tax Act 1963, as amended by section 1(4) of the Finance Act 1969(c), shall have effect with the substitution:

(a) for any reference to 13 3/4 per cent of a reference to 11 1/4 per cent;
(b) for any reference to 22 per cent of a reference to 18 per cent;
(c) for any reference to 36 2/3 per cent of a reference to 30 per cent; and
(d) for any reference to 55 per cent of a reference to 45 per cent.

Edward Heath,
Anthony Barber,
Two of the Lords Commissioners of Her Majesty's Treasury.

19 July 1971

EXPLANATORY NOTE

(This Note is not part of the Order)

This Order reduces to 11 1/4 per cent, 18 per cent, 30 per cent and 45 per cent the rates of purchase tax on the classes of goods heretofore taxable respectively at 13 3/4 per cent, 22 per cent, 36 2/3 per cent and 55 per cent.

(a) 1963 c.9. (b) 1889 c.63. (c) 1969 c.32.