

GOVERNMENT CIRCULAR

No. 168/50.

G.O. Reference No. 25442/30/2.

THE PURCHASE TAX (ISLE OF MAN) (No. 9) ORDER, 1950.

---

His Excellency the Lieutenant Governor has made an Order (a copy of which is appended) under Section 37 of the Purchase Tax Act, 1949, amending Part I of the First Schedule to the Purchase Tax Act, 1949, (which sets out the classes of goods chargeable with purchase tax).

The Order gives effect to the changes in rates of Purchase Tax on mechanically propelled road vehicles contained in the Finance Bill as amended in Committee.

By Order,

Government Office,

J. N. PANES,

Isle of Man.

Government Secretary.

30th June, 1950.

---

---

Isle of Man to Wit.

BY HIS EXCELLENCY AIR VICE-MARSHAL SIR GEOFFREY RHODES BROMET, K.B.E., C.B., D.S.O., LIEUTENANT GOVERNOR OF THE SAID ISLE, &c., &c., &c.

THE PURCHASE TAX (ISLE OF MAN) (No. 9) ORDER, 1950.

---

I, the said Lieutenant Governor, by virtue of the powers conferred on me by sub-section (1) of Section 37 of the Purchase Tax Act, 1949, and all other powers enabling me in that behalf, DO hereby make the following Order:—

1.—(1) As from the nineteenth day of April, nineteen hundred and fifty, the Purchase Tax Act, 1949, shall have, and be deemed to have had effect as if in Group 35 in Part I of the First Schedule to that Act, there were omitted the whole of sub-paragraphs (i) to (iii) of paragraph (a), with the exception of the word "First" in the second column, where last occurring.

(2) As from the first day of July, nineteen hundred and fifty, the said Act shall have effect as if there were added—

(a) as a new paragraph (d) in the said Group 35 the entry—  
" (d) Road vehicle chassis, mechanically propelled .....  
..... First " ;

(b) As a new paragraph 5 in the Third Schedule to the said Act, (which sets out the classes of goods relevant to the provisions about the application of chargeable processes), the entry:—

" 5. Road vehicle chassis, mechanically propelled."

(3) For the purposes of the said Act a chassis designed for a mechanically propelled vehicle shall be deemed to be mechanically propelled, whether or not complete with an engine and other parts and accessories required for the purpose, and the expression "road vehicle chassis" shall include so much of a chassis-less road vehicle as may be determined by the Commissioners of Customs and Excise to be in effect chassis, and reference to a vehicle's chassis shall be construed accordingly.

(4) The Schedule to this Order shall have effect for the purpose of the purchase tax in respect of road vehicle chassis, and for the purpose of adjusting contractual rights in certain cases in relation to purchase tax in respect of road vehicles.

2.—(1) This Order may be cited as the Purchase Tax (Isle of Man) (No. 9) Order, 1950.

(2) The Purchase Tax (Isle of Man) (No. 6) Order, 1950, (Government Circular No. 102/50) is hereby repealed.

(3) The Interpretation Act, 1949, shall apply in the interpretation of this Order as it applies in the interpretation of an Act of Tynwald.

GIVEN under my hand this 30th day of June, 1950.

G. R. BROMET,

Lieutenant Governor.

## SCHEDULE.

### PURCHASE TAX : SUPPLEMENTARY PROVISIONS AS TO ROAD VEHICLE CHASSIS AND ROAD VEHICLES.

#### PART I.

Provisions dealing with tax in respect of road vehicle chassis.

1.—(1) Purchase tax in respect of a road vehicle chassis shall be chargeable on the wholesale value of the chassis complete but without additions, and for the purposes of Section three of the Purchase Tax Act, 1949, (which relates to the determination of wholesale value), any chassis in respect of which tax is chargeable shall be assumed to be in that state.

(2) The following shall be deemed to be additions to a chassis for the purposes of this paragraph, namely—

- (a) a driver's cab;
- (b) accumulators used for the purpose of the supply of power for propulsion;
- (c) in the case of a chassis for a tractor or locomotive designed for use as a component of a composite vehicle, a turntable, coupling gear or equivalent mechanism.

(3) Subject to the last foregoing sub-paragraph, it shall be for the Commissioners of Customs & Excise to determine for any chassis or type of chassis what parts and accessories are, for the purposes of this paragraph, to be deemed to belong to a complete chassis or to be additions thereto, and what type of any part or accessory deemed to belong to a complete chassis a chassis lacking that part or accessory is to be treated for those purposes as having.

(4) In exercising their powers under the last foregoing sub-paragraph, the Commissioners of Customs & Excise shall wherever practicable have regard to any standard commercial specification for the type of chassis in question.

2. The fitting to a road vehicle chassis of items deemed to be additions thereto for the purposes of the foregoing paragraph shall not be treated as the application of a chargeable process.

3.—(1) In relation to road vehicle chassis, the Purchase Tax Act, 1949, as amended shall have effect as if—

- (a) any dealing with a goods vehicle (and in particular any purchase, appropriation or application, or importation thereof) were a dealing with the vehicle's chassis; and
- (b) goods vehicles were chargeable goods for the purposes of any reference to a business of, or a business including, the selling, or the letting out on hire, of chargeable goods;

and the fact that a chassis forms part of a vehicle shall not affect the operation in relation to the chassis of references in the said enactments to goods resulting from the application of a process, if when the process is completed the vehicle is a goods vehicle.

(2) In this paragraph the expression "goods vehicle" means a mechanically propelled road vehicle constructed or adapted for use for the carriage or haulage of goods or burden of any description not forming part of the vehicle or necessary for its propulsion or equipment, but does not include—

- (a) vehicles which are chargeable goods under Group 35 in Part I of the First Schedule to the Purchase Tax Act, 1949, as amended;
- (b) vehicles which are constructed or adapted mainly for the carriage of passengers but are exempt from purchase tax under paragraph (c) of that group;
- (c) vehicles of the following descriptions which are designed and permanently fitted solely or mainly for a function other than the carriage of passengers or goods—
  - (i) mobile cinemas, sound film production vehicles, television production vehicles and recording vans;
  - (ii) mobile canteens and shops, mobile clinics and travelling libraries;
  - (iii) mobile printing presses and other mobile workshops;
  - (iv) hearses;
  - (v) gully emptiers, road cleansing, road watering and refuse collecting vehicles;
  - (vi) travelling lavatories and wash places;
  - (vii) breakdown vehicles fitted with a jib crane;
  - (viii) engineering plant;
- (d) tractors and locomotives, except tractors, or locomotives, designed for use as components of a composite vehicle;
- (e) industrial and works trucks designed primarily for use in factories, docks, yards, railway stations or warehouses;
- (f) wheeled vehicles which drive through all road wheels and are of less than 30 cwt. unladen weight;
- (g) pedestrian controlled vehicles;
- (h) caravans.

4: Where the Commissioners of Customs and Excise are satisfied—

- (a) that purchase tax has become chargeable in respect of a road vehicle chassis;
- (b) that the chassis has been used for the construction of a vehicle which is neither a goods vehicle within the meaning of the last foregoing paragraph nor a vehicle falling within paragraph (a) or (d) of sub-paragraph (2) of that paragraph; and
- (c) that the chassis has not previously been used for the construction of a vehicle;

the purchase tax chargeable in respect of the chassis shall be remitted or, if it has been paid, shall be repaid.

## PART II.

### PROVISIONS ADJUSTING CONTRACTUAL RIGHTS IN RELATION TO PURCHASE TAX IN RESPECT OF ROAD VEHICLES.

1.—(1) This Part of this Schedule applies to vehicles which—

- (a) are not chargeable goods under Group 35 in Part I of the First Schedule to the Purchase Tax Act, 1949, as amended; but

- (b) would have been so if the Purchase Tax (Isle of Man) (No. 6) Order, 1950, had not been repealed by this Order;

and in respect of which purchase tax would have been chargeable if that Order had not been repealed.

(2) In this Part of this Schedule the expression "relevant vehicle" means a vehicle to which this Part of this Schedule applies, and the expression "process of manufacture" has the same meaning as in section nine of the Purchase Tax Act, 1949.

2. Subject to paragraph 5 of this Part of this Schedule, where a relevant vehicle was sold in the course of a business under a purchase made after the 18th day of April, nineteen hundred and fifty, and before the date of this Order at a price exceeding the price at which, in the ordinary course of that business, similar vehicles were sold or offered for sale immediately before the 18th day of April, nineteen hundred and fifty, the buyer shall be entitled to deduct from the price (or if he has paid the price) to recover from the seller as money received by him for the use of the buyer, an amount equal to the excess, except in so far as the seller proves that the excess was included in the price by reference to matters other than—

- (a) his prospective liability by virtue of this Order to purchase tax in respect of the vehicle; or
- (b) any increase attributable to the prospective liability as aforesaid of any other person in the price charged to the seller on a contract made by him after the 18th day of April, nineteen hundred and fifty for the purchase of the vehicle or for the application of a process of manufacture resulting in the vehicle.

3. Subject as aforesaid, where a relevant vehicle was sold under a purchase made on or before the 18th day of April, nineteen hundred and fifty and was delivered under the purchase on or after the first day of May, nineteen hundred and fifty, but before the date of this Order, and the seller has recovered from the buyer, as an addition to the price, any sum fixed by reference to his prospective liability by virtue of this Order to purchase tax in respect of the vehicle, the buyer shall be entitled to recover that sum from the seller as money received by him for the use of the buyer.

4. The two last foregoing paragraphs shall apply where a contract (not being a contract of sale) was made for the application of a process of manufacture resulting in a relevant vehicle, as they would have applied if the contract had been a contract for the sale of the vehicle to the person to whose order the process is applied by the person applying it to his order, but with the substitution—

- (a) in paragraph 2 for the reference to similar vehicles being sold or offered for sale of a reference to contracts for similar operations being made or invited; and
- (b) in paragraph 3 for the reference to the vehicle being delivered of a reference to the process being completed.

5.—(1) Where, in the case of a relevant vehicle, a transaction giving rise to any such prospective liability to purchase tax as is referred to in the foregoing provisions of this Part of this Schedule was one by reason of which purchase tax is chargeable in respect of the vehicle's chassis, any amount which apart from this paragraph might be deducted or recovered under those provisions as referable to that prospective liability, or to an increase of price attributable to that prospective liability, shall be reduced by the amount of the tax so chargeable.

(2) A person shall not be entitled to recover under subsection (2) of Section eleven of the Purchase Tax Act, 1949, any tax in respect of which he is entitled to a reduction under the foregoing sub-paragraph.