

**THIRD REPORT OF THE
COMMISSIONERS OF HER
MAJESTY'S INLAND REVENUE
ON THE INLAND REVENUE**

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Third Report of the Commissioners of Her Majesty's Inland Revenue on the Inland revenue by Various

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VARIOUS

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OF THE



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**COMMISSIONERS OF HER MAJESTY'S
INLAND REVENUE**

OR

THE INLAND REVENUE.

Presented to both Houses of Parliament by Command of Her Majesty.



LONDON:
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1859.

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CONTENTS.

| | Page |
|---|--------|
| REPORT - - - - - | 5-30 |
| EXCISE - - - - - | 5 |
| Gross Receipt in 1857-8 and 1858-9 - - - - - | 5 |
| Spirits - - - - - | 6 |
| Consumption of Spirits in England, Scotland, and Ireland - - - - - | 8 |
| Exportation of Spirits - - - - - | 10 |
| Methylated Spirit - - - - - | 10 |
| Malt - - - - - | 11 |
| Beer exported - - - - - | 11 |
| Hops - - - - - | 12 |
| Paper - - - - - | 13 |
| Beer and Spirit Licences - - - - - | 15 |
| Chicory and Coffee - - - - - | 15 |
| STAMPS - - - - - | 18 |
| Gross Receipt in 1857-8 and 1858-9 - - - - - | 18 |
| Duty on Bankers' Cheques - - - - - | 18 |
| Stamped Postage Envelopes - - - - - | 20 |
| Probate, Legacy, and Succession Duties - - - - - | 21 |
| PROPERTY AND INCOME TAX - - - - - | 22 |
| Gross Receipt in 1857-8 and 1858-9 - - - - - | 22 |
| Examination of Assessment for 1857-8 - - - - - | 23 |
| Compares between Assessment under Schedule A. for 1843 and 1858 - - - - - | 25 |
| LAND AND ASSESSED TAXES - - - - - | 26 |
| Gross Receipt in 1857-8 and 1858-9 - - - - - | 26 |
| Collection of Taxes in Scotland - - - - - | 27 |
| Scotch Lands Valuation Act - - - - - | 29 |
| MISCELLANEOUS - - - - - | 29 |
| Additions to Salaries of Excise Officers - - - - - | 29 |
| Do. of Scotch Surveyors - - - - - | 29 |
| Applications for Additional Salary from English Surveyors - - - - - | 29 |

CONTENTS.

APPENDIX.

| | Page |
|--|---------|
| Decennial Account of Gross Receipt of the several Duties of Excise to the 31st March 1859, inclusive | ii |
| The same Account of Stamp Duties | iv |
| The same Account of Land and Assessed Taxes and Property and Income Tax | vi |
| | |
| EXCISE: | |
| Account of the Quantities of each article charged with Duty, in England, Scotland, and Ireland respectively, in the years ended the 31st March 1858 and 1859 | viii |
| | |
| LEGACY AND SUCCESSION DUTY: | |
| Amount paid at each Rate in the years ended 31st March 1858 and 1859 | ix |
| | |
| ASSESSED TAXES : | |
| Articles charged in the years ended the 5th April 1857 and 1858, and the amount of Duty thereon | x |
| | |
| PROPERTY AND INCOME TAX : | |
| Amount of Property and Income charged under each Schedule for the years ended 5th April 1857 and 1858, and the amount of Duty thereon | xi |
| | |
| Report on the Laboratory by Mr. Phillips | xii |
| Judgment of the Court of Exchequer in the Attorney General v. Barry (Paper Duty) | xx |
| Judgment of the Court of Exchequer in a Special Case as to the Validity of a Beer Licence | xxi |
| Judgment of the Court of Exchequer in re Elwe (Succession Duty) | xxiv |
| Heritable Bonds.—Extract from Report of Comptroller General of Inland Revenue in Scotland | xxviii |
| Cases under Lands Valuation Act decided by the Judges in Scotland | xxx |
| Assessed Taxes.—Cases decided by the Judges in England | xxxiiij |

THIRD REPORT.

TO THE LORDS COMMISSIONERS OF HER MAJESTY'S
TREASURY.

MAY IT PLEASE YOUR LORDSHIPS,

We have the honour to submit to your Lordships our Third Annual Report on the Revenue under our management.

It is satisfactory to observe that, although, in some instances where it was least expected, there has been a diminution in receipt, yet such an unusual increase has occurred in certain other cases as to bring the total amount of Inland Revenue for the year up to the estimate on which the Chancellor of the Exchequer founded his calculations; the payments into the exchequer from our department having amounted to 35,753,356*l.* 8*s.* 1*d.*, which exceeded the estimate formed on the 17th April 1858, by the sum of 3,356*l.* 8*s.* 1*d.*

EXCISE DUTIES.

GROSS RECEIPT in the Years ended 31st March 1858 and 1859
(detailing the Amount received for each Duty).

| | Years ended 31st March | |
|---------------------------------------|------------------------|-------------|
| | 1858. | 1859. |
| Gross Receipt - - | £18,495,868 | £18,480,572 |
| <i>Duties.</i> | £ | £ |
| Spirits - - - - - | 9,280,963 | 9,188,842 |
| Malt - - - - - | 5,492,006 | 5,592,624 |
| Hops - - - - - | 489,008 | 416,478 |
| Paper - - - - - | 1,244,722 | 1,281,023 |
| Hackney Carriages - - - - - | 80,153 | 82,129 |
| Stage Carriages - - - - - | 118,588 | 125,016 |
| Railways - - - - - | 348,612 | 339,569 |
| Licences - - - - - | 1,425,112 | 1,436,892 |
| Game Certificates (Ireland) - - - - - | 11,500 | 12,228 |
| Sugar - - - - - | — | — |
| Racehorses - - - - - | 5,224 | 5,771 |

Spirits.

SPIRITS.

On the 17th of April 1858 the duty on spirits made in Ireland was raised from 6s. 2d. per gallon to 8s., the rate of duty chargeable in Great Britain.

Effect of the additional duty in Ireland.

We mentioned in our Report of last year that this equalization of duties had long been anticipated by the distillers in Ireland; and we stated that, as the time approached for the financial statement of the Chancellor of the Exchequer, an unusual quantity of spirits was sent out of the distillers' stores, so as to escape the payment of the additional duty of 1s. 10d. per gallon, although not coming into consumption until after that duty was imposed. We find, in fact, that, between the 1st and the 17th of April, no less than 1,129,000 gallons were removed into dealers' stocks; a quantity equivalent to one sixth of the whole annual consumption of Ireland, and on which a duty of 1s. 10d. per gallon would have produced 103,000*l.*

It was estimated by the Chancellor of the Exchequer that the additional duty would add 500,000*l.* per annum to the revenue derived from Irish spirits; and it is to be observed that in this estimate a wide margin was allowed for decrease of consumption, the average annual consumption for the last three years being 6,723,514 gallons, which would have given an increase of 616,000*l.* The following, however, has been the actual result of the alteration in the duty:—

The number of gallons of spirits on which duty was paid for consumption in Ireland was,—

| | Gallons. | Amount of Duty charged. £ |
|---|----------------------|------------------------------|
| From 1st April 1858 to 17th April 1858 - - - - - | 1,129,000 at 6s. 2d. | 348,108 |
| From 17th April 1858 to 31st March 1859 - - - - - | 4,526,500 at 8s. | 1,810,600 |
| | 5,655,500 | 2,158,708 |
| Average of three preceding years - | 6,723,514 at 6s. 2d. | 2,073,063 |
| Decrease - - - - - | 1,068,014 | Increase - 85,625 |

If to this amount of duty we add 103,000*l.*, which was lost to the revenue between the 1st and 17th of April, we shall have 188,625*l.* as the real produce of the new duty of 1s. 10d. from twelve months' consumption.

Few persons, we apprehend, will be disposed to regret the loss of 300,000*l.* to the Exchequer, if it be entirely attributable to the diminished consumption of spirits by the people of Ireland. That it is so there can be no doubt, for although the last returns of the number of detections of illicit stills and malthouses are not quite so satisfactory as they were in the previous quarters, we have no hesitation in saying that there has been much less production of smuggled spirits than would naturally be expected to

be the consequence of a good harvest, and certainly not such as to diminish materially the receipts from the licensed distilleries. The result of all our inquiries upon this subject during the year tends to show that Ireland is no longer in that hopeless condition, with respect to this lawless pursuit, in which she seemed to be some few years ago; but that, partly from the improved condition of the people, and partly, as we most willingly admit, in consequence of the exertions of the constabulary, she may now safely be required to contribute the same duty on spirits as Scotland and England.

In connexion with the diminished consumption of spirits, we think it may deserve notice that there has been a considerable increase in the quantity of beer brewed in Ireland (causing an addition of 42,000*l.* to the malt revenue), and that the Customs returns show an increase of 6 per cent. in the quantity of tea entered for home consumption, of 12 per cent. in coffee, and about 6 per cent. in sugar and tobacco. On the whole, therefore, we are inclined to regard the equalization of the Irish spirit duties as a very successful and beneficial operation.

In Scotland there appears again this year a decrease in the gross receipt from spirits, and in England a trifling increase. But the figures by no means represent the amount of consumption in these two parts of the kingdom; and your Lordships will no doubt feel it desirable to warn those who make use of our returns for statistical purposes, that they merely show the money received in each country, and by no means necessarily the quantities used.

It may be well, since this subject has lately attracted some attention, that we should furnish your Lordships with a full explanation.

We will take the case of Scotland, as an example, in order to make our statement clearer, the other parts of the kingdom being precisely under the same conditions.

The gross receipt of spirit duties in Scotland is derived from the following sources, viz. :—

First. Spirits made in Scotland, and consumed in Scotland.

Secondly. Spirits made in England or Ireland, and consumed in Scotland.

Thirdly. Spirits made in Scotland, and consumed in England or Ireland.

Fourthly. Spirits made in Scotland, and exported to foreign parts on drawback.

There is of course no difficulty with respect to receipts from spirits which come under the first of these heads; but the duty paid in Scotland on spirits made in England or Ireland does not necessarily represent all the spirits so introduced into Scotland; and, on the other hand, considerable quantities of spirits may be sent from Scotland, for consumption in England or Ireland, the duty on which is sometimes received in Scotland, and sometimes in the other parts of the kingdom.

The duty collected in England, Scotland, and Ireland respectively does not represent the consumption of spirits in each of those countries.

There are, in fact, three conditions under which spirits may be transferred from one part of the United Kingdom to another :

First. Under bond, in which case the duty is paid at the place where they are taken out for consumption.

Secondly. Under permit (granted by our officers) from distillers' and rectifiers' stocks, in which case the duty is paid before removal from the country in which they are made.

Thirdly. Under certificate (furnished by the trader) from dealers' stocks, when again the duty is paid before removal.

It must be unnecessary for us to point out the complications which are thus introduced into our accounts when referred to for statistical purposes, and the careful analysis to which they ought to be subjected in order to obtain a correct result. Hitherto, indeed, since the equalization of the duties in Scotland and England, we have not required returns from our local officers for the purpose of showing the quantities of spirits transferred, under permits and certificates, from the one country to the other; but we have now taken measures to effect this in future, and we have endeavoured, by a laborious examination of the books and permits, &c. of the past year, to obtain the desired information for that period. The results are embodied in the following tables, and are undoubtedly both curious and interesting.

Accounts showing the consumption of each part of the kingdom will be prepared in future.

Account of consumption for the year 1858.

AN ACCOUNT showing the Consumption of Home-made Spirits in England, Scotland, and Ireland, respectively, in the year ended 31st December 1858.

England.

| <i>England.</i> | | Gallons. | Gallons. |
|---|---------|-----------|------------------------|
| Spirits distilled in England on which duty was paid in England in the year ended 31st December 1858 | - - - - | - - - | 6,284,872 |
| Spirits imported from Scotland— | | | |
| Under bond | - - - - | 2,832,403 | |
| Duty-paid | - - - - | 1,425,053 | |
| | | <hr/> | 4,257,456 |
| „ imported from Ireland— | | | |
| Under bond | - - - - | 1,331,297 | |
| Duty-paid | - - - - | 765,672 | |
| | | <hr/> | 2,096,969 |
| | | | <hr/> |
| | | | 12,639,297 |
| Deduct— | | | |
| Sent to Scotland | - - - - | 1,270 | |
| Sent to Ireland | - - - - | 2,328 | |
| Exported on drawback | - - - - | 419,981 | |
| Methylated | - - - - | 66,630 | |
| | | <hr/> | 490,209 |
| Number of gallons retained for consumption in England | - - - - | - - - | <hr/> <hr/> 12,149,088 |