

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/3518/Add.15
15 November 1979

Limited Distribution

Original: English

NOTIFICATION OF CHANGES IN TAX ADJUSTMENTS

Addendum

UNITED KINGDOM

This notification is made pursuant to paragraph 40 of L/3464.

The following changes in indirect taxation, consequent upon the Chancellor of the Exchequer's Budget Statement to the House of Commons on 12 June 1979, have been embodied in the Finance (No. 2) Act 1979, which received Royal Assent on 26 July. A copy of the Act is enclosed.¹

1. Value-added tax

With effect from 18 June the standard rate of value-added tax (8 per cent) has been increased to 15 per cent. With effect from the same date the higher rate (12½ per cent) has ceased to have effect and the goods and services formerly subject to it have become chargeable at the 15 per cent rate.

2. Hydrocarbon oil duties

With effect from 6 p.m. on 12 June 1979 the rates of duty on hydrocarbon oils have been increased as follows:

- (a) the rate of duty on light hydrocarbon oil, petrol substitutes and spirits used for power methylated spirits by 1.5p a litre to 8.1p a litre;
- (b) the rate of duty on heavy hydrocarbon oil for use as road fuel by 1.5p a litre to 9.2p a litre;
- (c) the effective rate of duty borne by rebatable oils (except kerosene used other than as aviation fuel) by 0.11p a litre to 0.66p a litre;

¹ Available in the GATT secretariat for consultation.

- (d) the rate of duty on gas used as road fuel by 0.75p a litre to 4.05p a litre.

3. Tobacco

With effect from 13 August 1979 the rates of tobacco products duty on cigarettes have been varied as follows:

- (a) the specific rate has been increased from £9.00 to £11.77 per thousand cigarettes (no change in the additional £2.25 per thousand cigarettes with tar yield of 20 mg. or more), and
- (b) the ad valorem rate has been reduced from 30 per cent to 21 per cent of the retail price.

