
(Registered on the Records on the 19th August, 1940.)

THIS 19th day of August, 1940.

AN ACT OF PROMULGATION OF LAW

BY

VICTOR GOSSELIN CAREY,

British Civil Lieutenant-Governor of the Island of Guernsey,

In exercise of the power conferred on him by an Order of the Commandant of the German Forces in Occupation of the Bailiwick of Guernsey, dated the 2nd day of July, 1940.

The Sales
Tax Law,
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WHEREAS the Controlling Committee of the States of Guernsey, being of opinion that it would be desirable to increase the resources of the States by instituting a new Tax to be called "Sales Tax", to be leviable on purchases of certain commodities and other things, requested the Law Officers of the Crown to prepare a "Projet de Loi" designed to give effect to such views ;

AND WHEREAS the Law Officers of the Crown drafted a "Projet de Loi" as desired and the said Committee requested the Bailiff to give an opportunity to a member of the said Committee to submit such "Projet de Loi" to the States for approval at an early date.

AND WHEREAS the Bailiff acquiesced and on this 19th day of August, 1940, the said "Projet" was submitted to the States by the Reverend John Leale, acting President of the said Committee, and received the approval of the States, and the Bailiff in his capacity of Lieutenant-Governor was desired to accord his sanction to the said "Projet" subject always to the approval of the German Commandant, which approval has been obtained.

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NOW THE LIEUTENANT-GOVERNOR afore-said hereby accords his SANCTION to the said "Projet" to the intent that the same shall have the force of Law within this Island ; of which "Projet" the tenor followeth :

* PROJET DE LOI

INSTITUANT UNE TAXE À PERCEVOIR DES
ACHETEURS DE CERTAINES CHOSES.

LES ETATS ont approuvé les dispositions suivantes, rédigées en anglais, lesquelles, après avoir reçu l'approbation du Feldkommandant Allemand et moyennant la sanction du Lieutenant-Gouverneur Britannique de ce Bailliage, auront force de loi en cette Ile:

1. In this Law—

Definitions.

The maculine gender includes the feminine.

Where the context admits the singular includes the plural and vice versa.

The expression "Goods" means all articles of merchandise and all implements and other chattels, objects and moveables whatsoever excepting such as at the time of purchase are in the nature of real estate and those which are expressly exempted from the scope of this Law.

* Repealed by the Sales Tax Laws (Repeal) Law, 1947.

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There shall be comprised in the meaning of the expression " goods " things which are to be produced, brought into being or made up (with or without other material) after order and that expression shall include photographs and such like productions and materials used for repairs and new work of every kind.

" Person " includes a company or other body corporate.

" Purchaser " includes the purchaser's employee or other agent.

The expression " Sale by wholesale " means the sale by one manufacturer or trader to another manufacturer or trader of goods manufactured or held by the vendor for sale where the purchaser acquires such goods for re-sale either in the state in which they are at the time of his purchase or after undergoing treatment or being incorporated in whole or in part with some other material or substance for sale.

Other transactions between such persons whether on wholesale or other terms are not included in the expression " Sale by wholesale ".

A sale by auction is not to be regarded as a " Sale by wholesale ".

" Vendor " includes the vendor's employee or other agent.

Institution
of Sales Tax.

2.—The tax instituted by this Law is hereinafter called " Sales Tax ".

Exemptions.

3.—The Sales Tax shall not be leviable—

(a) in respect of any sale by wholesale (as defined herein) :

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- * (b) in respect of repairs where the price of the material charged to the purchaser is less than one half of the total price to be paid by him to the vendor for the repair work ;
- (c) in respect of any sale which is incidental to and included in the transfer of a profession or business or of a partnership therein, provided such transfer be evidenced by a written document stamped with the appropriate Stamp Duty under the " Loi relative aux Droits de Timbre ", or
- (d) in respect of any sale whatsoever of—
- I. Foodstuffs which for the time being are subject to rationing ;
 - II. Eatables sold for consumption on the premises in which they are bought ;
 - III. Wet fish and fresh shell fish ;
 - IV. Edible offal unless it be canned or otherwise preserved ;
 - V. Eggs ;
 - VI. Bread ;
 - VII. Fresh milk (whole or separated) ;
 - VIII. Fresh vegetables and fresh fruit ;
 - IX. House coal, including domestic anthracite, and coke, sold for use as household fuel ;
 - X. Wood sold for use as household fuel ;
 - XI. Paraffin, Electricity, Gas and Water ;
 - XII. Livestock ;
 - XIII. Clothing (including headwear, footwear and sportswear) bought for the use of children under the age of fourteen years ;

* New section (b) substituted by the Sales Tax (No. 1 Amendment) Law, 1941.

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XIV. Toys and books for children's use but not exceeding two shillings and sixpence each in value.

The sales mentioned in this Article are herein called Exemptions. *

Levy of Sales Tax.

4.—Subject to the Exemptions provided for by Article 3 hereof the Sales Tax shall be leviable in respect of all sales of new or second-hand goods by way of trade or otherwise (including sales by auction) in cases—

- (a) where the goods comprised in such sale are in this Island at the time the sale-purchase contract is made wherever the delivery is to take place, or
- (b) where the sale-purchase contract has been made in this Island and delivery is to take place in this Island wherever the goods were situate when such contract was made.

Stamp to be affixed and cancelled.

5.—It shall be the duty of the vendor immediately on the sale of any goods and before delivery to the purchaser to affix the appropriate stamp representing the value of the tax payable under this Law in respect of the subject-matter of the sale—

- (a) on the goods themselves ;
- (b) on the outside of the box, carton or other cover containing them when they are sold provided such box, carton or other cover, by print or by some other marking, identifies the contents in some permanent form, or
- (c) on an invoice or other memorandum containing short particulars of the sale sufficient to enable a tax officer to check the observance

* Further Exemptions added by the Sales Tax (No. 1 Amendment) Law, 1941, and the Sales Tax (Amendment No. 2) Law, 1943.

of this Law in respect thereof. Whenever it is inappropriate or impracticable that the stamp be attached to the goods themselves or to the container as in the case where the goods comprise a number of individual items then and in every such case the stamp shall be affixed to an invoice or other memorandum referring to the sale.

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It shall be the duty of the vendor to cancel by marking in ink or by some other indelible method with his initials or by some other means every stamp whether adhesive or embossed, when used by him in obedience to the terms of this Law so that such stamp may not be again used by inadvertence or otherwise in respect of some other sale. Where the Sales Tax amounts to One shilling or more the person marking the stamp shall add the date on or across the stamp.

6.—The purchaser of goods in respect of which the Sales Tax is payable shall, when so required by the vendor, pay to the vendor on demand the amount of the appropriate tax leviable in respect of the transaction. A vendor may decline to complete any sale or to effect delivery of the goods comprised in such sale if the purchaser does not furnish him on demand with the amount of the appropriate tax, but if the vendor does not so decline then his duty to affix the appropriate stamp in accordance with Article 5, and the duty of the purchaser to reimburse to the vendor the amount of such tax will nevertheless remain intact.

Amount of tax to be paid by purchaser to vendor.

7.—(a) The Sales Tax shall be one halfpenny for every complete sixpence being the price or forming part of the price of any goods. If the price is not less than sixpence but does not amount to one shilling, then the Sales Tax shall be one halfpenny, and where the price amounts to one shilling but does not amount to one shilling and sixpence, then the Sales Tax shall

Amount of tax, method of payment, etc.

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be one penny. The same method of calculation shall apply ad infinitum. Matches are not within the scope of this paragraph.

(b) The Sales Tax on wax, wooden or other lighting matches shall be one halfpenny per box or other container or cover designed to hold fifty matches. Where matches are sold in larger boxes, containers or covers, or loose, the Sales Tax shall be at the rate of one halfpenny per fifty matches, but where the number sold is not a multiple of fifty the fractional part shall bear the tax of one halfpenny. Each box or other container or cover shall be stamped individually.

(c) The Sales Tax shall be paid by means of stamps to be obtained on payment of their face value from the States of Guernsey. With the consent of the Treasurer of the States it shall be permissible to have such stamps printed or embossed in advance of sale on invoices and other memoranda of sale. When such printing or embossing shall not have been so procured in advance or where the face value of the stamp or stamps so printed or embossed falls short of the appropriate tax then an adhesive stamp or adhesive stamps of the appropriate value or of the amount of the deficiency as the case may require, shall be used.

(d) The stamps to be supplied by the States of Guernsey for the purposes of this Law may be printed or they may be embossed from dies made specially for such purpose or they may be embossed from the dies or be adhesive stamps used in connection with Stamp duty and Entertainment Tax with or without any differentiating mark.

(e) The Treasurer of the States shall reimburse the bona fide holder the face value of any stamps returned by him clean and uncanceled provided the Treasurer of the States is satisfied that such stamps were acquired in the reasonable belief that

they would be required. In other cases the Treasurer of the States shall not be bound to make any reimbursement whatsoever.

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(f) Subject to the provisos hereunder, a sale for a price not amounting to sixpence shall attract no Sales Tax notwithstanding that such sale or the delivery of the goods comprised in such sale shall take place at the same time as the sale or delivery of other goods by the same vendor to the same purchaser or that such goods are listed with others on one invoice, bill or other memorandum of sale. Each item sold shall be assessable individually for the purposes of the Sales Tax and without reference to any other sale—* provided however (1) with respect to goods sold by weight or measure that all the goods of identical kind ordered, sold or delivered by the same vendor to the same purchaser at any one time shall be regarded as one sale whether such goods be made up in one or more lots, and (2) that Matches are not affected by this paragraph.

(g) In determining the price of any goods for the purposes of this Law account shall be taken of any discount allowed or allowable as well as any other special terms such as the terms of purchase by an employee from his employer so that the Sales Tax shall be payable on the actual price receivable by the vendor †

8.—The Treasurer of the States or any person authorised by him in writing so to do, is empowered to demand either from the vendor or the purchaser, the production of any goods, covering or invoice in order to ascertain that the appropriate Sales Tax stamp has been affixed and cancelled as required by the provisions of this Law, and for such purposes to enter any place of business at any reasonable time.

Production
of goods,
covering or
invoice.

* New proviso substituted by the Sales Tax (No. 1 Amendment) Law, 1941.

† Proviso and new paragraph (h) added by the Sales Tax (No. 1 Amendment) Law, 1941.

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 Offences and
 penalties.

* 9.—(a) Any person who shall have omitted to affix to or to have embossed a stamp or stamps of the appropriate value on any goods, covering or invoice in accordance with this Law may nevertheless thereafter make good such omission on and after paying to the Treasurer of the States three times the face value of the missing stamp or stamps, but nevertheless his liability under the provisions of paragraph (b) hereof shall be unaffected thereby.

(b) Any person who shall have been guilty of such omission as aforesaid, and every person who shall have detached a Sales Tax stamp already used or who shall have removed a box, carton or other container already used and stamped with the intention of using such stamp or such container again or of selling it or offering it for sale, or who shall so use, sell or offer such stamp or container for sale, and any person who shall prevent or attempt to prevent the exercise of the powers conferred by Article 8 of this Law, shall be guilty of an offence and on conviction by the Royal Court in Ordinary Session or by the Magistrate shall be amenable to a fine not exceeding £25 which may be imposed by either of such Courts.

Counterfeit-
 ing stamp.

10.—Any person counterfeiting a stamp intended to serve for the purposes of this Law or who shall knowingly use such a counterfeit stamp shall be guilty of forgery and may be indicted and punished for felony in respect thereof.

Offences by
 companies.

11.—Where a person convicted of an offence against this Law is a body corporate, every person who at the time of the commission of the offence was a director, manager or other officer of the body corporate shall be deemed to be guilty of that offence unless he proves that the offence was committed without

* New Article 9 substituted by the Sales Tax Amendment Law, 1943.

his knowledge and that he had exercised all due diligence to prevent the comission of such an offence. 1940

12.—This Law shall come into force at midnight on August 20th, 1940. Commence-
ment.

13.—This Law may be cited as “ The Sales Tax Law, 1940 ”. Short Title.

AND the Lieutenant-Governor aforesaid doth hereby direct that this Act of Promulgation be entered upon the Public Records of this Island and that all officials and other persons whomsoever are to take notice thereof and to govern themselves accordingly.

VICTOR G. CAREY,
Lieutenant-Governor.