

Deduction as expenses of certain sums, etc. ITA67 s219(1) and (4)(b) and (c); FA74 s47; CTA76 s30(5)(a) 699.—(1) In computing for the purposes of Case I of Schedule D the profits or gains of a society, there shall be deducted as expenses any sums which—

(a) represent a discount, rebate, dividend or bonus granted by the society to members of the society or other persons in respect of amounts paid or payable by or to them on account of their transactions with the society, being transactions taken into account in that computation and calculated by reference to those amounts or to the magnitude of those transactions and not by reference to the amount of any share or interest in the capital of the society;

(b) are share interest or loan interest paid by the society, being interest wholly and exclusively laid out or expended for the purposes of the trade.

(2) (a) Where for the year 1962-73 or any previous year of assessment an annual allowance, balancing allowance or balancing charge in respect of capital expenditure on the construction of a building or structure might have been made to or on a society under Part V of the Finance Act, 1959 , but for the circumstance that the society was exempt from tax under Schedule D, any writing down allowance, balancing allowance or balancing charge to be made in respect of the expenditure under Part 9 for any chargeable period shall be computed as if every annual allowance, balancing allowance and balancing charge which might have been so made had been made; but nothing in this paragraph shall affect section 274 (8).

(b) Where for the year 1962-73 or any previous year of assessment an annual allowance in respect of capital expenditure on the purchase of patent rights might have been made to or on a society under Part V of the Finance Act, 1959 , but for the circumstance that the society was exempt from tax under Schedule D, the amount of the expenditure remaining unallowed ) shall, in relation to any balancing allowance or balancing charge under Chapter 1 of Part 29 to be made to or on the society in respect of the expenditure for any chargeable period, be computed as if every annual allowance which might have been so made had been made.