

Interpreting Taxing Statutes # 101 – Inferences

In determining what was intended by the use of particular words logical inferences may be drawn from those words in that provision or elsewhere. [Ben 23.14]

SYNOPSIS

What is expressed in one place frequently throws light on the meaning intended elsewhere. Because of the very wide range of possible circumstances for the application of this principle, it can be demonstrated only by a series of examples.

EXAMPLE

Doubt as to whether ‘interest’ was confined to annual interest in the phrase ‘interest, annuities or other annual payments’ occurring in the Income Tax Act 1952 was set at rest by the necessary implication arising from the reference to other annual payments. [IRC v Frere [1965] AC 402]

EXAMPLE

The power conferred on the Treasury by the Exchange Control Act 1947, s 18(2), to validate an issue or transfer which purported to be made in contravention of the Act implied that such an issue or transfer was otherwise a nullity. [Re Transatlantic Lift Assurance Co Ltd [1980] 1 WLR 79]