

TAXING THE ULTIMATE LUXURY

The taxation of the goldsmiths' and silversmiths' trade 1719 – 1890

On 28 February, Matthew Peppitt gave an absorbing talk on plate taxes in the eighteenth and nineteenth centuries to the Tax History Group. Whilst the main focus of his talk was plate duty, he also covered tax on household plate and excise licences to deal in plate. In this context, plate refers to silver (and later gold) domestic items. Matthew's talk put the tax into its historical context, as well as covering the role that assay marks played in the history of the tax.

The background to the introduction of plate duty was the huge increase in public debt between 1688 and 1815, during which period it rose from £2 million to a staggering £854 million. This increase was due to the fact that for around half of this period Britain was either at war or preparing for war.

Plate duty, which was first introduced in 1719 by the Wrought Plate Act 1719, was a tax on consumption and wealth, and was initially levied at 6d per troy ounce on new silver plate manufactured or imported into Britain. The duty was often evaded through bypassing the assay process, or cutting hallmarks from silver items already assayed, and inserting these into new items (for a time, the latter carried the death penalty, later commuted to transportation for 14 years) For items of plate on which the duty had been paid, which were subsequently exported, duty paid could be reclaimed and this led to the risk of duty drawback fraud through the covert re-importation of plate on which the duty had already been refunded.

Plate duty was repealed in 1758, by which time a tax on household plate had been introduced. This was levied on individuals owing more than 100 troy ounces of plate, and required those liable to make an annual return of the weight of plate owned. This tax was ineffective, enforcement was difficult, and the tax was repealed in 1777. 1758 also saw the introduction of excise licences to deal in plate, which was a levy initially of £2 per annum on business premises, and which remained in force until well into the twentieth century.

Plate tax was reintroduced in 1784 by William Pitt (and here Matthew referenced the first tax history talk given by John Jeffrey-Cook on William Pitt), levied at 8s per troy ounce on gold items, and 6d per ounce on silver items. It was this second incarnation of the tax that introduced the additional assay mark of the sovereign's head, which indicated that the tax had been paid, with variations on (or duplicates of) the imprint indicating that duty had been paid at a higher rate in years when the rate increased. These marks also enabled the duty drawback to be applied correctly. For a brief period, a mark of Britannia was added to indicate a return of duty paid. The tax continued, albeit with declining yields, until it was repealed in 1890.

The talk was fascinating, and gave us not only an overview of some lesser known taxes, but also an insight into eighteenth century history.

Caroline Turnbull-Hall

March 2017